

4th Fiscal Period Annual Report

From December 1, 2020 to November 30, 2021

4th

November 2021
Asset Management Report

ENEX
INFRASTRUCTURE
INVESTMENT
CORPORATION

4th
November 2021
Asset Management Report
ENEX
INFRASTRUCTURE
INVESTMENT
CORPORATION

Financial Highlights

Financial highlights
for the 4th fiscal period
ended November 2021

Distribution per unit 6,000 yen			
Operating revenue	Operating income	Ordinary income	Net income
4,606 million yen	1,298 million yen	896 million yen	894 million yen
Total assets	Net assets	Net assets per unit	
67,810 million yen	30,112 million yen	86,263 yen	

Forecast distribution
per unit

5th fiscal period ending May 2022	3,000 yen
6th fiscal period ending November 2022	3,000 yen

Green equity

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

JCR	DNV GL
Green1 (F)	Acquisition of Opinion

Change of Fiscal Period and Settlement of Accounts

Before	•December. 1st ~November. 30th (Dividends: February)
After	•June. 1st ~ November. 30th (Dividends: February) •December. 1st ~May. 31st (Dividends: August)



To Our Investors

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

Under the management philosophy of “aiming to create a society considerate of the global environment for realizing enriched life for people through investment in renewable energy,” Enex Infrastructure Investment Corporation (EII) conducts investment management of renewable energy power generation facilities centering on solar power generation facilities in an effort to realize a sustainable society based on social demand. By doing so, EII will provide numerous investors with better opportunities to invest in renewable energy.

Recognizing our social and public mission, we will strictly implement legal compliance and corporate governance while striving to build sound assets from a medium-term to long-term perspective through thorough emphasis on the actual place, actual matter and actual situation.

We appreciate your continued support and encouragement going forward.



Enex Infrastructure Investment Corporation
Executive Officer
Keiichi Matsuzuka



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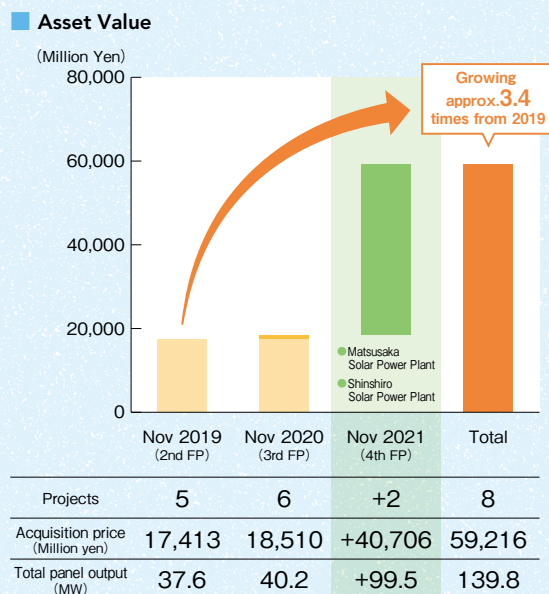
Highlights

○ Asset size expanded dramatically through acquisition of assets.

S-07 Matsusaka Solar Power Plant (December 2020)



S-08 Shinshiro Solar Power Plant (April 2021)



○ Established flexible and stable financing methods

Established a commitment line agreement to build a stronger financial structure and secure flexibility and stability in financing methods for potential needs regarding funding acquisition of new assets.

■ Outline of the commitment line

Maximum Loan Amount	¥3 Billion
Counterparty	Sumitomo Mitsui Trust Bank, Ltd.,
Date of agreement	March 31, 2021
Commitment period	December 1, 2021 – November 30, 2024
Collateral	Unsecured, unguaranteed



Features of EII

○ Features of Enex Infrastructure Investment Corporation

Strong and Steadfast Sponsor Support

EII aims to expand the asset size steadily and create stable cash flows by investing in renewable energy power generation facilities, capitalizing on the wide-ranging support from the sponsors centering on Itochu Enex. In addition, EII aims to maximize unitholder value by providing opportunities to invest in renewable energy power generation facilities, which are strongly expected to expand as social infrastructure.

1 Sponsor Pipelines Providing a Variety of Asset Types

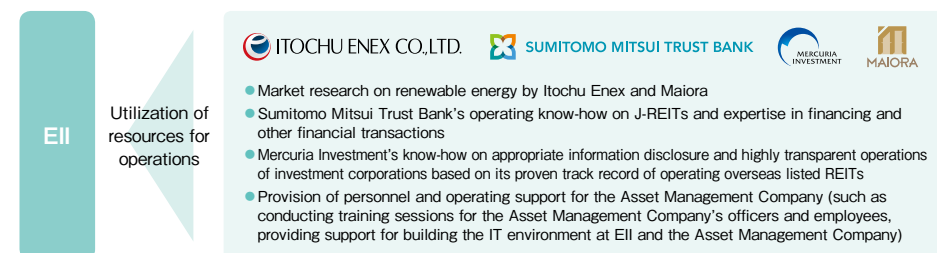


2 A Vertically Integrated Model of the Itochu Enex Group Consolidating All Business Units from Power Generation to Sales

The Group has established a business model that vertically integrates and consolidates all business units from development of sources of electricity to supply-demand management and sales, contributing to stable supply of electricity to customers and reduction of electricity charges.

3 Utilization of Resources of Sponsor Companies for EII's Operations

EII believes that it can conduct stable operations after listing by utilizing the resources of the sponsors for EII's operations and for operating and managing renewable energy power generation facilities.



4 Stable Operation of Power Generation Facilities by ENEX Electric Power, the Operator

ENEX Electric Power has stably operated various power generation facilities and provided stable supply of energy since its establishment in 2002. It is an engineering group that provides quality services to customers and has a strong awareness of cost control. Taking advantage of the strengths of Enex Power, EII seeks to maximize the power generation performance of its solar power generation facilities in an effort to maintain and improve their revenue and asset value.

Strong Pipeline Support

Major Assets for Investment

Solar power generation facilities

Wind power generation facilities, hydroelectric power generation facilities and others

Investment ratio: 50% or more (based on acquisition price)

Investment ratio: 50% or less (based on acquisition price)

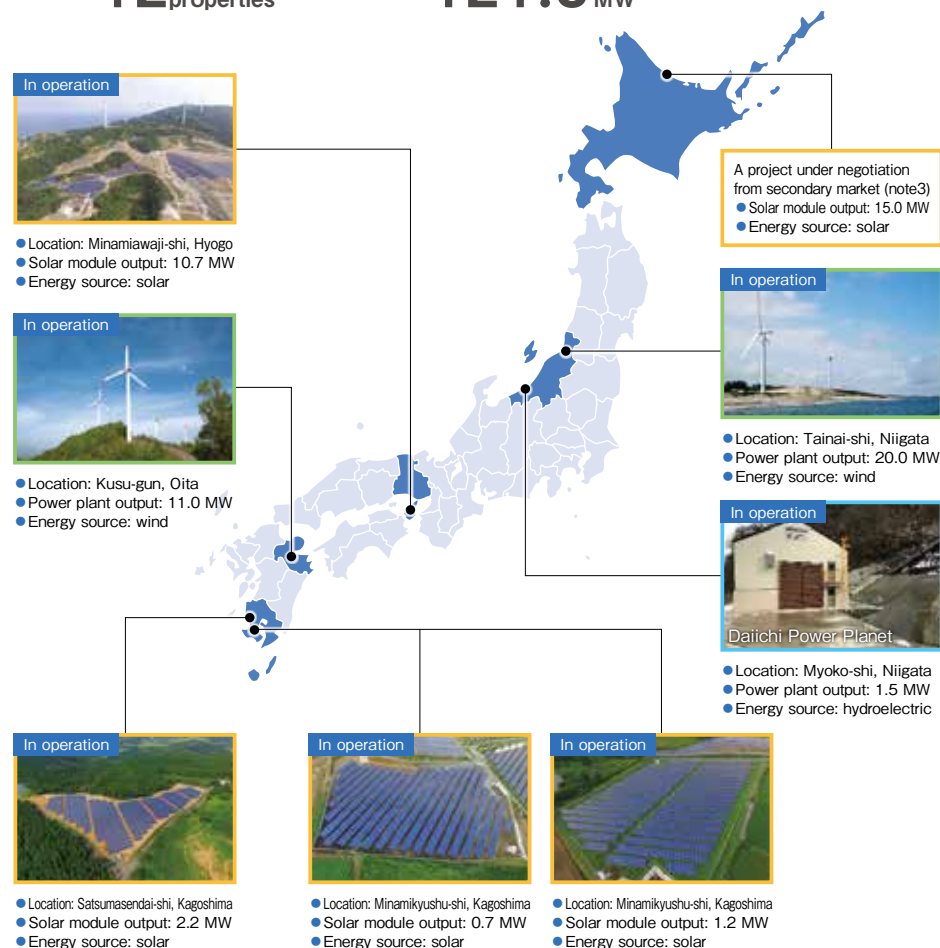
Various Pipelines Owned by Sponsors (as of November 30, 2021)

Number of pipeline properties (Note 1)

Total installed capacity (Note 1)

12 properties

121.8 MW



(Note 1) The number of pipeline properties and total installed capacity indicate the sum total of the power generation facilities, either in operation, under construction or being planned, which EII has not acquired.

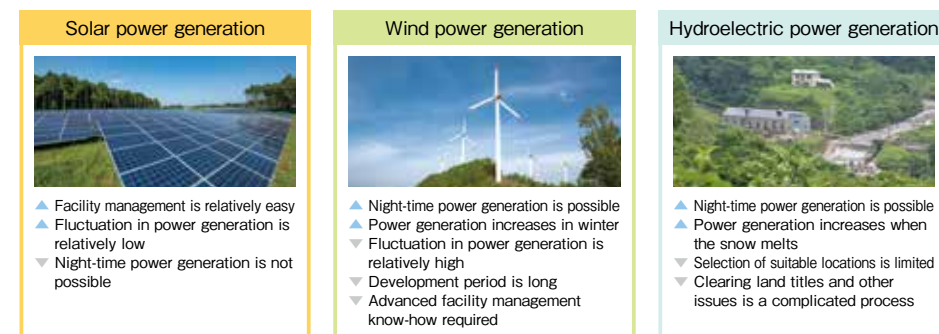
(Note 2) The pipeline map above indicates only the facilities in operation.

(Note 3) The project EII has priority negotiation right from the secondary market.

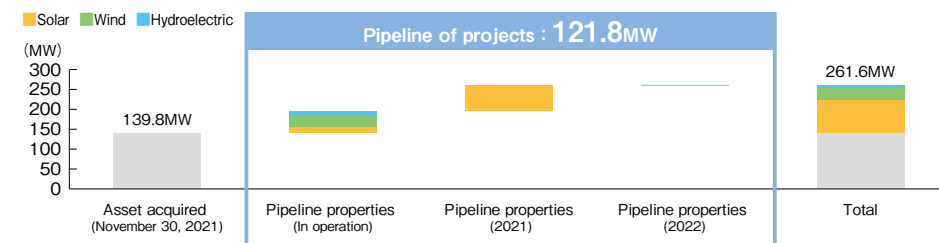
Initiatives for Diversifying Sources of Electricity

Aim to Become a Comprehensive Infrastructure Fund Owning a Variety of Sources of Renewable Energy

Going forward, EII aims to build a more balanced portfolio having wind and hydroelectric power generation facilities as well, instead of managing solar power generation facilities alone.

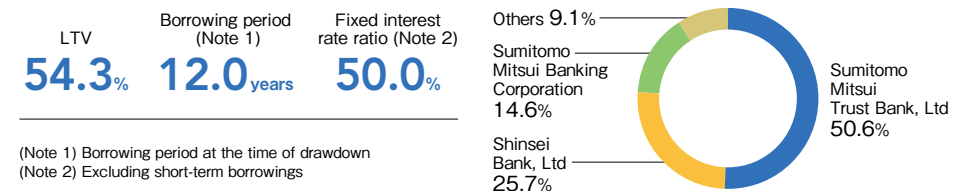


Scheduled Operations of Pipeline Properties (as of November 30, 2021)



Sound Financial Management (as of November 30, 2021)

Alongside fixing a portion of its interest rates, EII plans to reduce the risk of interest rate volatility and stabilize the financial base by capitalizing on the current low-interest-rate environment.



(Note 1) Borrowing period at the time of drawdown
(Note 2) Excluding short-term borrowings

Credit rating

Rating agency	Subject of rating ^(*)	Rating ^(*)	Outlook
JCR	Long-term issuer rating	A	Stable

*Long-term issuer rating A: High probability of fulfillment of obligations



ESG Initiatives

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 work-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 Participation and Advancement in the Workplace and Act on Advancement of Measures to Support Raising Next-Generation Children ▶ Embracing diversity and cultivating the next generation of leaders



Governance

- Compliance
- Information disclosure toward the 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

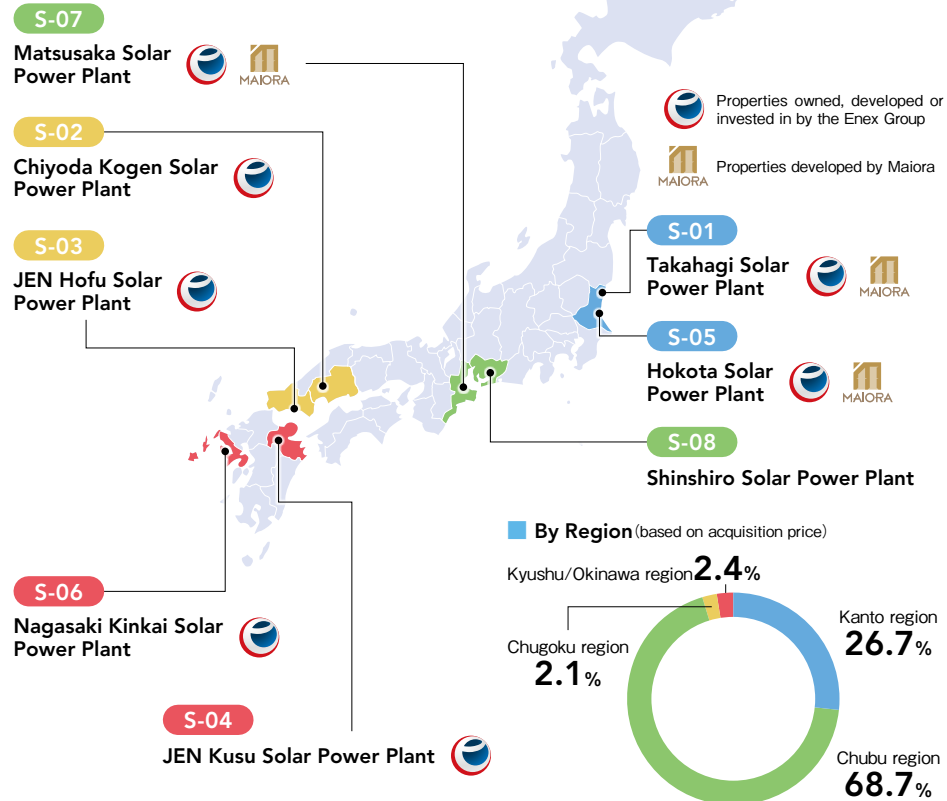


Source: The chart above is a summary of the ESG initiatives of EII, the Asset Manager and the Enex Group, and includes items that are not directly related to EII or the Asset Manager.

Portfolio Data (as of November 30, 2021)

Total Acquisition Price
59.21 billion yen

Total Solar Module Output
139.8 MW



Portfolio List

Property No.	Property name	Location	Acquisition price (million yen)	Investment ratio (%)	Solar module output (kW)	Tariff (yen/kWh)
S-01	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	5,305	9.0	11,544.32	40
S-02	Chiyoda Kogen Solar Power Plant	Yamagata-gun, Hiroshima	590	1.0	1,595.28	40
S-03	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	680	1.1	1,940.64	36
S-04	JEN Kusu Solar Power Plant	Kusu-gun, Oita	324	0.5	1,007.76	40
S-05	Hokota Solar Power Plant	Hokota-shi, Ibaraki	10,514	17.8	21,541.32	36
S-06	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	1,097	1.9	2,661.12	36
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	40,241	68.0	98,003.40	32
S-08	Shinshiro Solar Power Plant	Shinshiro-shi, Aichi	465	0.8	1,540.00	40
Total/Average			59,216	100.0	139,833.84	-

S-01 Takahagi Solar Power Plant



S-03 JEN Hofu Solar Power Plant



S-05 Hokota Solar Power Plant



S-07 Matsusaka Solar Power Plant



S-02 Chiyoda Kogen Solar Power Plant



S-04 JEN Kusu Solar Power Plant



S-06 Nagasaki Kinkai Solar Power Plant



S-08 Shinshiro Solar Power Plant



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BALANCE SHEET

November 30, 2020 and November 30, 2021

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
Assets		
Current assets		
Cash and deposits	*1 823,502	*1 5,992,434
Cash and deposits in trust	–	*1 442,743
Operating accounts receivable	*1 118,731	*1 630,022
Prepaid expenses	38,690	92,333
Consumption taxes receivable	–	3,314,754
Other	1,672	–
<i>Total current assets</i>	982,595	10,472,288
Non-current assets		
Property, plant and equipment		
Machinery and equipment	17,855,100	18,335,951
Accumulated depreciation	(1,496,246)	(2,353,747)
Machinery and equipment, net	*1 16,358,853	*1 15,982,203
Machinery and equipment in trust	–	36,131,211
Accumulated depreciation	–	(1,548,480)
Machinery and equipment in trust, net	–	*1 34,582,731
Land in trust	–	4,425,716
Construction in progress in trust	–	*1 2,310
<i>Total property, plant and equipment</i>	16,358,853	54,992,961
Intangible assets		
Leasehold interests in land	*1 1,440,541	*1 1,477,452
Trademark right	653	571
Software	7,356	6,305
<i>Total intangible assets</i>	1,448,550	1,484,329
Investments and other assets		
Leasehold and guarantee deposits	70,000	75,000
Long-term prepaid expenses	280,964	786,151
Deferred tax assets	8	20
<i>Total investments and other assets</i>	350,972	861,172
<i>Total non-current assets</i>	18,158,377	57,338,463
Total assets	19,140,973	67,810,751

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	*1 670,660	*1 5,371,795
Operating accounts payable	77,685	193,472
Accounts payable - other	43,548	137,541
Consumption taxes payable	24,340	–
Income taxes payable	823	1,029
Accrued expenses	218	741
Other	553	556
<i>Total current liabilities</i>	817,830	5,705,136
Non-current liabilities		
Long-term loans payable	*1 9,736,620	*1 31,471,914
Asset retirement obligations	495,744	521,244
<i>Total non-current liabilities</i>	10,232,364	31,993,158
Total liabilities	11,050,194	37,698,294
Net assets		
Unitholders' equity		
Unitholders' capital	8,121,664	29,799,607
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*4 (18,365)	*4 (41,596)
Other deduction from unitholders' capital	(232,317)	(540,298)
<i>Total deduction from unitholders' capital</i>	(250,682)	(581,895)
Unitholders' capital, net	7,870,981	29,217,711
Surplus		
Unappropriated retained earnings (undisposed loss)	219,797	894,744
<i>Total surplus</i>	219,797	894,744
<i>Total unitholders' equity</i>	8,090,778	30,112,456
<i>Total net assets</i>	*3 8,090,778	*3 30,112,456
Total liabilities and net assets	19,140,973	67,810,751

STATEMENT OF INCOME

For the Fiscal Periods Ended November 30, 2020 and November 30, 2021

(Unit: thousand yen)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Operating revenue		
Rent income from renewable energy power generation facilities	*1 1,570,973	*1 4,606,022
Total operating revenue	1,570,973	4,606,022
Operating expenses		
Rent expenses from renewable energy power generation facilities	*1 1,116,947	*1 2,988,714
Asset management fee	61,585	216,759
Asset custody and administration fees	23,444	44,551
Remuneration for directors	8,400	8,400
Other operating expenses	43,760	48,751
Total operating expenses	1,254,138	3,307,175
Operating income (loss)	316,835	1,298,846
Non-operating income		
Interest income	9	40
Insurance claim income	-	7,447
Interest on tax refund	1,443	-
Other	0	-
Total non-operating income	1,452	7,488
Non-operating expenses		
Interest expenses	83,586	277,123
Borrowing related expenses	13,266	46,658
Investment unit issuance expenses	-	85,974
Other	-	0
Total non-operating expenses	96,853	409,757
Ordinary income (loss)	221,434	896,576
Income (loss) before income taxes	221,434	896,576
Income taxes - current	1,638	1,904
Income taxes - deferred	23	(11)
Total income taxes	1,661	1,892
Net income (loss)	219,772	894,684
Retained earnings (deficit) brought forward	24	59
Unappropriated retained earnings (undisposed loss)	219,797	894,744

STATEMENTS OF CHANGES IN NET ASSETS

Previous fiscal period (from December 1, 2019 to November 30, 2020)

(Unit: thousand yen)

	Unitholders' equity				Unitholder's capital, net
	Unitholders' capital	Deduction from unitholder's capital			
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of current period	8,121,664	-	-	-	8,121,664
Change during current period					
Distributions of surplus					
Distribution in excess of earnings from reserve for temporary difference adjustments		(18,365)		(18,365)	(18,365)
Other distribution in excess of earnings			(232,317)	(232,317)	(232,317)
Net income					
Total changes during current period	-	(18,365)	(232,317)	(250,682)	(250,682)
Balance at end of current period	8,121,664	(18,365)	(232,317)	(250,682)	7,870,981

	Unitholders' equity			
	Surplus		Total unitholders' equity	Total net assets
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of the period	298,455	298,455	8,420,119	8,420,119
Change during current period				
Distributions of surplus	(298,431)	(298,431)	(298,431)	(298,431)
Distribution in excess of earnings from reserve for temporary difference adjustments			(18,365)	(18,365)
Other distribution in excess of earnings			(232,317)	(232,317)
Net income	219,772	219,772	219,772	219,772
Total changes during current period	(78,658)	(78,658)	(329,340)	(329,340)
Balance at end of current period	219,797	219,797	8,090,778	8,090,778

STATEMENT OF CASH FLOWS

For the Fiscal Periods Ended November 30, 2020 and November 30, 2021

(Unit: thousand yen)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Cash flows from operating activities		
Income (loss) before income taxes	221,434	896,576
Depreciation	835,102	2,405,981
Investment unit issuance expenses	–	85,974
Interest income	(9)	(40)
Interest expenses	83,586	277,123
Decrease (Increase) in operating accounts receivable	(8,547)	(511,291)
Decrease (Increase) in consumption taxes receivable	1,219,219	(3,314,754)
Decrease (Increase) in prepaid expenses	(9,176)	(53,643)
Decrease (Increase) in long-term prepaid expenses	(31,008)	(505,187)
Increase (Decrease) in operating accounts payable	75,943	115,787
Increase (Decrease) in accounts payable - other	1,799	93,561
Increase (Decrease) in consumption taxes payable	24,340	(24,340)
Other	205	3,908
Subtotal	2,412,889	(530,343)
Interest received	9	40
Interest expenses paid	(83,803)	(276,600)
Income taxes paid	(2,691)	(1,698)
Cash flows from operating activities	2,326,404	(808,601)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,075,314)	(455,350)
Purchase of property, plant and equipment in trust	–	(40,559,238)
Purchase of intangible assets	(65,087)	(38,011)
Payment of leasehold and guarantee deposits	–	(5,000)
Cash flows from investing activities	(1,140,402)	(41,057,600)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,210,000	27,900,000
Repayments of long-term loans payable	(1,968,638)	(1,463,571)
Proceeds from issuance of investment units	–	21,591,968
Dividends paid	(546,933)	(550,519)
Cash flows from financing activities	(1,305,571)	47,477,877
Net increase (decrease) in cash and cash equivalents	(119,569)	5,611,675
Balance of cash and cash equivalents at beginning of period	943,071	823,502
Balance of cash and cash equivalents at end of period	*1 823,502	*1 6,435,178

NOTES TO FINANCIAL STATEMENTS

For the fiscal periods ended November 30, 2020 and November 30, 2021

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Enex Infrastructure Investment Corporation (the "Investment Corporation") owns and operates renewable energy power generation facilities. The Investment Corporation was established on August 3, 2018, with Enex Asset Management Co. Ltd. as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (the "Investment Trusts Act") and registered with the Kanto Local Finance Bureau on September 5, 2018. On February 13, 2019, the Investment Corporation was listed on the infrastructure fund market of Tokyo Stock Exchange.

Basis of Presentation of Financial Statements

The Investment Corporation maintains its books of accounts in accordance with the provisions set forth in the Investment Trusts Act, the Financial Instruments and Exchange Act of Japan and other related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards ("IFRS") or accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying financial statements have been compiled from the financial statements of the Investment Corporation, which were in accordance with Japanese GAAP and were filed with the Director of the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying financial statements, certain rearrangements have been made to the financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

The accompanying financial statements are stated in Japanese yen, the currency of the country in which the Investment Corporation is incorporated and operates. As permitted by the regulation under the Financial Instruments and Exchange Act of Japan, amounts of less than one thousand yen have been omitted. As a result, the totals shown in the accompanying financial statements in yen do not necessarily agree with the sums of the individual amounts.

The Investment Corporation does not prepare consolidated financial statements. The Investment Corporation has a one-year fiscal period ending November 30 of each calendar year. In the first year, the first day of the fiscal period is August 3, 2018, and the last day of the fiscal period is November 30, 2018.

2. Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	(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: Machinery and equipment 160 to 291 months Machinery and equipment in trust 280 months
	(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows: Trademark right 10 years Software 5 years
	(3) Long-term prepaid expenses The straight-line method is adopted.
2. Accounting for deferred assets	Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they are paid.
3. Standards for recognition of revenue and expenses	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 are 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 25,009 thousand yen.
4. Range of funds (cash and cash equivalents) on the statements of cash flows	The funds (cash and cash equivalents) on the statements of cash flows consist of cash on hand, deposits in trust, deposits 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.
5. Method of hedge accounting	(1) Method of hedge accounting Special accounting is applied for interest rate swap transactions that satisfy the requirements for special accounting.
	(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Hedged items Interest rates on borrowings
	(3) Hedging policy EII conducts derivative transactions to hedge the risks set forth in its Articles of Incorporation based on the risk management regulations.
	(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness of hedging is omitted as requirements are satisfied for special accounting for interest rate swap transactions.
6. Other matters serving as the basis for preparation of financial statements	(1) 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. 1) Cash and deposits in trust 2) Machinery and equipment in trust; Land in trust; Construction in progress in trust (2) Accounting for consumption taxes Consumption taxes and local consumption taxes are excluded from the corresponding transaction amount.

3. 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 November 30, 2020)	Current fiscal period (as of November 30, 2021)
Cash and deposits	818,473	5,985,476
Cash and deposits in trust	–	442,743
Operating accounts receivable	118,731	630,022
Machinery and equipment	16,358,853	15,982,203
Machinery and equipment in trust	–	34,582,731
Land in trust	–	4,425,716
Construction in progress in trust	–	2,310
Leasehold interests in land	1,440,541	1,477,452
Total	18,736,599	63,528,656

Secured liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
Current portion of long-term loans payable	670,660	5,371,795
Long-term loans payable	9,736,620	31,471,914
Total	10,407,280	36,843,709

*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 November 30, 2020)	Current fiscal period (as of November 30, 2021)
Total amount of commitment line agreement	–	3,000,000
Balance of borrowings	–	–
Total	–	3,000,000

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

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
50,000 thousand yen		50,000 thousand yen

*4. Reserve for temporary difference adjustments

Previous fiscal period (from December 1, 2019 to November 30, 2020)

1. Reasons for occurrence, 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
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	18,365	–	18,365	–	18,365	–

2. Specific method of reversal

Machinery and equipment

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

Current fiscal period (from December 1, 2020 to November 30, 2021)

1. Reasons for occurrence, 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
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	41,596	18,365	23,231	–	41,596	–

2. Specific method of reversal

Machinery and equipment

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

(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, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
A. Operating revenue from the rental business of renewable energy power generation facilities		
Rent income from renewable energy power generation facilities		
(Base rent)	1,561,976	4,378,707
(Performance-linked rent)	3,219	226,527
(Incidental income)	5,778	787
Total revenue from the rental business of renewable energy power generation facilities	1,570,973	4,606,022
B. Operating expenses from the rental business of renewable energy power generation facilities		
Rent expenses from renewable energy power generation facilities		
(Taxes and dues)	177,999	429,315
(Insurance expenses)	9,737	37,508
(Repair expenses)	2,308	10,436
(Depreciation)	835,102	2,405,981
(Rent expenses on land and buildings)	87,759	96,099
(Trust fee)	–	4,969
(Other expenses)	4,039	4,403
Total expenses from the rental business of renewable energy power generation facilities	1,116,947	2,988,714
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	454,026	1,617,308

(Notes to Statements of Changes in Unitholders' Equity)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
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	91,825 units	349,075 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, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Cash and deposits	823,502	5,992,434
Cash and deposits in trust	-	442,743
Cash and cash equivalents	823,502	6,435,178

*2. Important non-financial transactions

Amount of newly recorded significant asset retirement obligations

(Unit: thousand yen)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Amount of significant asset retirement obligations	29,850	25,500

(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 a medium to long term and achieve growth in the size and value of the assets under management. As for the derivative transactions, EII makes derivative transactions in order to hedge interest rate fluctuation risks and does not intend to make any speculative transaction.

(2) Description of financial instruments and 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 by appropriately controlling 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, include 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 November 30, 2020). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Cash and deposits	823,502	823,502	-
(2) Operating accounts receivable	118,731	118,731	-
Total assets	942,233	942,233	-
(3) Current portion of long-term loans payable	670,660	680,390	9,730
(4) Long-term loans payable	9,736,620	9,877,824	141,204
Total liabilities	10,407,280	10,558,215	150,935
(5) Derivative transactions	-	-	-

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

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

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(3) Current portion of long-term loans payable and (4) 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 every certain period, 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 the "Notes to derivative transactions" below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps as one by the reasonably estimated rate applicable in the event of a new drawdown of similar loans.

(5) Derivative transactions

Please refer to the "Notes to Derivative Transactions" below.

NOTES TO FINANCIAL STATEMENTS

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, 2021). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted. (Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Cash and deposits	5,992,434	5,992,434	-
(2) Cash and deposits in trust	442,743	442,743	-
(3) Operating accounts receivable	630,022	630,022	-
Total assets	7,065,200	7,065,200	-
(4) Current portion of long-term loans payable	5,371,795	5,390,702	18,907
(5) Long-term loans payable	31,471,914	31,764,097	292,183
Total liabilities	36,843,709	37,154,800	311,091
(6) Derivative transactions	-	-	-

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

(1) Cash and deposits and (2) Cash and deposits in trust and (3) Operating accounts receivable

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(4) Current portion of long-term loans payable and (5) 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 every certain period, 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 the "Notes to derivative transactions" below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps as one by the reasonably estimated rate applicable in the event of a new drawdown of similar loans.

(6) Derivative transactions

Please refer to the "Notes to Derivative Transactions" below.

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2020). (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) Cash and deposits	823,502	-	-	-	-	-
(2) Operating accounts receivable	118,731	-	-	-	-	-
Total	942,233	-	-	-	-	-

Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2021) (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) Cash and deposits	5,992,434	-	-	-	-	-
(2) Cash and deposits in trust	442,743	-	-	-	-	-
(3) Operating accounts receivable	630,022	-	-	-	-	-
Total	7,065,200	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2020) (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
(3) Current portion of long-term loans payable	670,660	-	-	-	-	-
(4) Long-term loans payable	-	670,660	670,660	670,660	670,660	7,053,980
Total	670,660	670,660	670,660	670,660	670,660	7,053,980

Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2021) (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
(4) Current portion of long-term loans payable	5,371,795	-	-	-	-	-
(5) Long-term loans payable	-	1,961,701	1,988,582	1,994,661	2,010,051	23,516,919
Total	5,371,795	1,961,701	1,988,582	1,994,661	2,010,051	23,516,919

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

Previous fiscal period (as of November 30, 2020) and current fiscal period (as of November 30, 2021)
Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of November 30, 2020)

(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		
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	17,454,840 (Note 1)	16,723,054 (Note 1)	(245,947) (Note 2)	(Note 3)

(Note 1) The amount includes the contract amount (12,250,000 thousand yen) of an interest rate swap contract which EII entered into on November 30, 2020. The borrowing to be hedged was made on December 2, 2020.

(Note 2) Fair value of the interest rate swap entered into on November 30, 2020, represents fair value as of November 30, 2020, due to absence of long-term loans payable to be subject to special accounting for interest rate swaps collectively. Except for the interest rate swap entered into on November 30, 2020, 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 as one, and thus their fair value is presented together with the fair value of (Note) (3) Current portion of long-term loans payable and (4) Long-term loans payable in Notes to Financial Instruments, 2. Matters concerning fair value of financial instruments.

(Note 3) Calculation method for fair value depends on the value provided by correspondent banks.

Current fiscal period (as of November 30, 2021)

(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		
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	16,723,054	15,737,157	(Note)	-

(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 as one, and thus their fair value is presented together with the fair value of (Note 1) (4) Current portion of long-term loans payable and (5) Long-term loans payable in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

(Notes to Retirement Benefits)

Previous fiscal period (as of November 30, 2020) and current fiscal period (as of November 30, 2021)

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 As of November 30, 2020	Current fiscal period As of November 30, 2021
Deferred tax assets		
Exclusion of business tax from deductible expenses	8	20
Asset retirement obligations	163,288	171,651
Other	-	1,532
Subtotal of deferred tax assets	163,297	173,204
Valuation allowance	(7,327)	(9,200)
Total deferred tax assets	155,969	164,004
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(155,961)	(163,983)
Total deferred tax liabilities	(155,961)	(163,983)
Deferred tax assets, net	8	20

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 As of November 30, 2020	Current fiscal period As of November 30, 2021
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible cash distributions	(34.52%)	(32.41%)
Amortization of asset retirement obligations	3.31%	0.86%
Other	0.50%	0.31%
Effective income tax rate after applying tax effect accounting	0.75%	0.21%

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

Previous fiscal period (as of November 30, 2020) and current fiscal period (as of November 30, 2021)

Not applicable.

(Notes to Transactions with Related Parties)

1. Parent company and major corporate unitholders

Previous fiscal period (from December 1, 2019 to November 30, 2020)

Attribute	Name	Business or occupation	Percentage of investment units owned	Description of transaction	Transaction amount (thousand yen) (Note 1)	Account title	Balance at end of period (thousand yen) (Note 1)
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	Banking and real estate business	1.2%	Borrowing of funds	-	Long-term loans payable	7,964,860
				Repayment of funds	1,854,215	Current portion of long-term loans payable	556,842
				Interest expenses	71,831	-	-
				Acquisition of renewable energy power generation facilities	1,097,100	Machinery and equipment	1,071,369
Interested party of the asset management company	Kitakyushu Solar Power Generation Godo Kaisha	Electricity business	-			Leasehold interests in land	61,787

(Note 1) Of the above amounts, the transaction amount does not include consumption taxes, while the balance at end of period includes consumption taxes.

(Note 2) Transaction terms and conditions are determined with reference to market prices, etc.

(Note 3) EII concluded a loan agreement with Sumitomo Mitsui Trust Bank, Limited on January 10, 2020, but the claims equivalent for the borrowing amounts were assigned to Shinsei Bank, Limited as of the same date.

Current fiscal period (from December 1, 2020 to November 30, 2021)

Attribute	Name	Business or occupation	Percentage of investment units owned	Description of transaction	Transaction amount (thousand yen) (Note 1)	Account title	Balance at end of period (thousand yen) (Note 1)
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	Banking and real estate business	0.8%			Long-term loans payable	11,316,714
				Borrowing of funds	6,023,000	Current portion of long-term loans payable	2,532,823
				Repayment of funds	695,164	-	-
				Interest expenses	113,390	Accrued expenses	297
Interested party of the asset management company	Godo Kaisha TSMH1	Electricity business	-	Acquisition of renewable energy power generation facilities	39,041,000	Machinery and equipment in trust	36,131,211
						Land in trust	3,213,191
Interested party of the asset management company	Shinshiro Solar Power Generation Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	465,000	Machinery and equipment	453,353
						Leasehold interests in land	36,911

(Note 1) Of the above amounts, the transaction amount does not include consumption taxes, while the balance at end of period includes consumption taxes.

(Note 2) Transaction terms and conditions are determined with reference to market prices, etc.

2. Affiliates, etc.

Previous fiscal period (from December 1, 2019 to November 30, 2020) and current fiscal period (from December 1, 2020 to November 30, 2021)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from December 1, 2019 to November 30, 2020) and current fiscal period (from December 1, 2020 to November 30, 2021)

Not applicable.

4. Officers and major individual unitholders

Previous fiscal period (from December 1, 2019 to November 30, 2020) and current fiscal period (from December 1, 2020 to November 30, 2021)

Not applicable.

(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 part 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 the discount rate of 0.0%.

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

(Unit: thousand yen)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Balance at beginning of period	465,894	495,744
Increase due to purchase of property, plant and equipment	29,850	25,500
Adjustment amount over time	-	-
Decrease due to performance of asset retirement obligations	-	-
Balance at end of period	495,744	521,244

(Notes to Rental Properties)

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

(Unit: thousand yen)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Book value		
Balance at beginning of period	17,467,544	17,799,394
Change during the period	331,850	38,668,709
Balance at end of period	17,799,394	56,468,103
Valuation at end of period	16,533,000	56,496,500

(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.

(Note 3) Of the amount of change during the previous fiscal period, the amount of increase is primarily attributable to acquisition of Nagasaki Kinkai Solar Power Plant (1,163,007 thousand yen), and the amount of decrease is primarily attributable to depreciation.

Of the amount of change during the current fiscal period, the amount of increase is primarily attributable to acquisition of Matsusaka Solar Power Plant (40,556,928 thousand yen) and Shinshiro Solar Power Plant (515,765 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 14,701,000 thousand yen to 18,365,000 thousand yen for previous fiscal period; from 52,082,000 thousand yen to 60,911,000 thousand yen for 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 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, 2019 to November 30, 2020)

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	504,210	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	59,114	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	72,214	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	35,596	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	819,309	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	80,529	Rental business of renewable energy power generation facilities

Current fiscal period (from December 1, 2020 to November 30, 2021)

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	502,479	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	59,076	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	72,418	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	35,642	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	810,571	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	91,966	Rental business of renewable energy power generation facilities
Godo Kaisha TSMH1	2,998,915	Rental business of renewable energy power generation facilities
Shinshiro Solar Power Generation Godo Kaisha	34,950	Rental business of renewable energy power generation facilities

(Notes to Per Unit Information)

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
Net assets per unit	88,110 yen	86,263 yen
Net income per unit	2,393 yen	2,568 yen

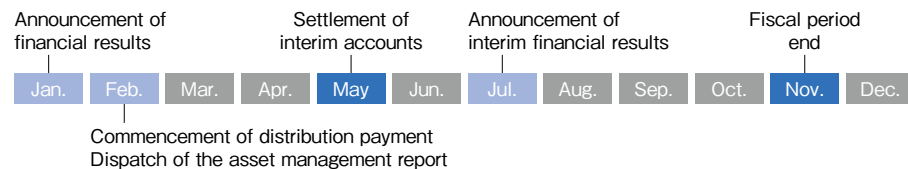
(Note 1) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units. Diluted net income per unit is not stated because there are no dilutive investment units.

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

		Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Net income	(thousand yen)	219,772	894,684
Amount not attributable to common unitholders	(thousand yen)	-	-
Net income per unit attributable to common investment units	(thousand yen)	219,772	894,684
Average number of investment units during the period	(units)	91,825	348,336

Unitholder Information

IR Calendar



Invitation to EII's Website

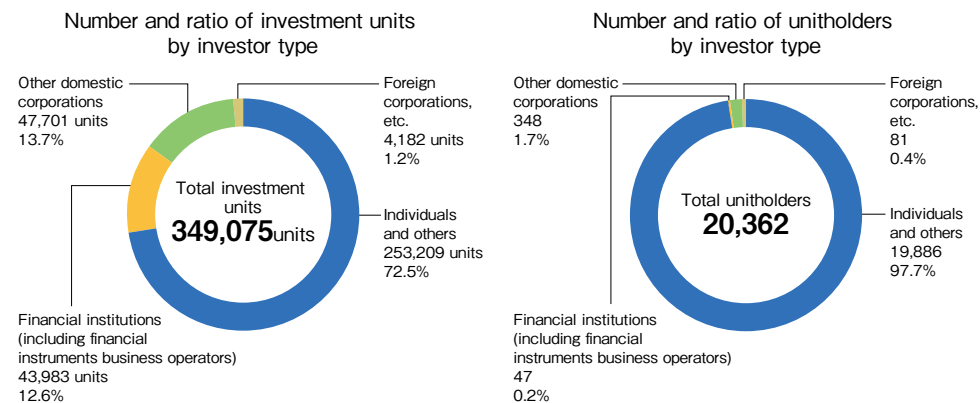
You can obtain the latest information on EII with your PC or smartphone.

<https://enexinfra.com/en/>

EII works to prepare a variety of content on its website and endeavors on investor relations (IR) and information provision through the website in an effort to disclose information to investors in a timely manner and help them better understand EII.



Unitholder Composition



Changes in Investment Unit Price

