



Enex Infrastructure Investment Corporation

Presentation Material of the Financial Results for the Fiscal Period November 2019 (2nd Fiscal Period)

Securities code: 9286



S-05 Hokota Solar Power Plant

Asset Management Company

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

 **Enex Infrastructure Investment Corporation**

Contents

1. Highlights - Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period) and the Latest Highlights (p. 3)
2. Highlights - Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period) (P. 7)
3. Asset Management Status (P. 11)
4. Management Strategy (P. 17)
5. Appendix (P. 29)



1.

Highlights - Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period) and the Latest Highlights

Highlights - Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period) and the Latest Highlights

1

Expansion of asset size through acquisition of Nagasaki Kinkai Solar Power Plant

2

Strengthening financial aspects through acquisition of credit rating

3

Highest turnover rate among infrastructure funds backed by solid sponsor support

Expansion of Asset Size through Acquisition of Nagasaki Kinkai Solar Power Plant

A sale and purchase agreement for Nagasaki Kinkai Solar Power Plant will be concluded on January 10, 2020, and on January 17, 2020, acquisition is planned to be carried out using borrowings of 1.1 billion yen. The asset size will expand to 18.5 billion yen as a result.

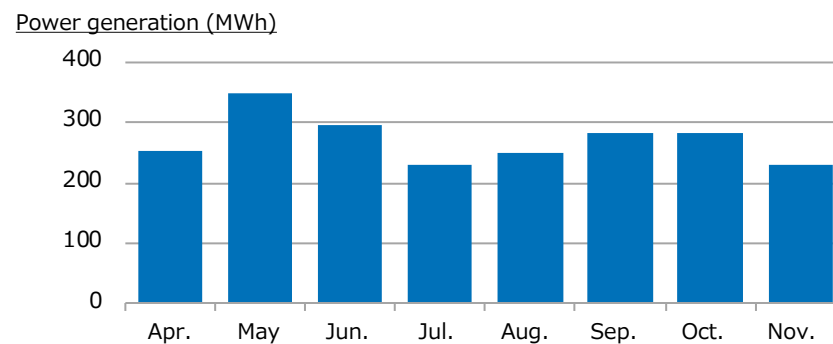
S-06 Nagasaki Kinkai Solar Power Plant



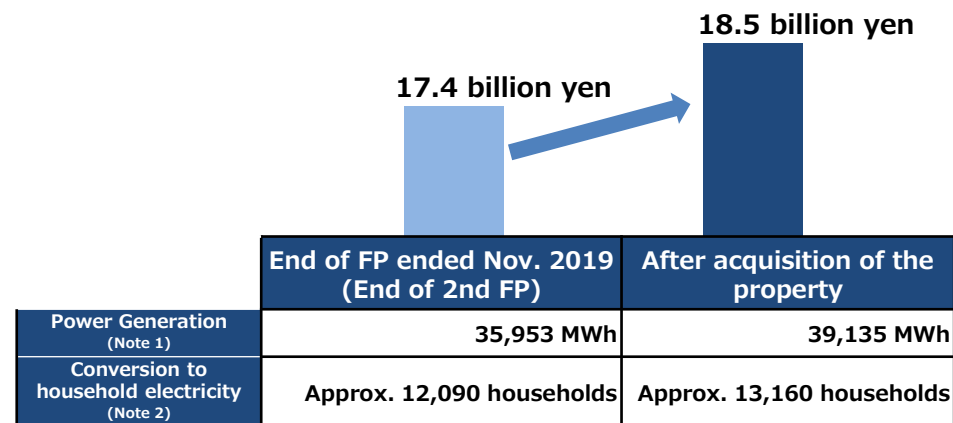
Acquisition price	1,097 million yen
Location	Nagasaki City, Nagasaki
Solar module output	2.66 MW
Number of solar modules installed	9,856
Power output	1.99 MW
Tariff	36 yen/kWh
FIT term end	March 2039
Electricity utilities	Kyushu Electric Power Co., Inc.
Operator	Enex Electric Power Co., Ltd.

EPC operator	West Energy Solution Inc.
Solar module manufacturer	West Holdings Corporation
PCS provider	Toshiba Mitsubishi-Electric Industrial Systems Corporation
O&M provider	Enex Engineering & Service Co., Ltd.
Site area	25,501 m ²
Type of right of the site	Superficies right
Solar module type	Polycrystal silicon

<Power Generation Performance of the Property>



<Growth of Asset Size of the Investment Corporation>



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

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

Acquisition of Credit Rating/High Liquidity

- Aiming to build a solid financial base in the future by acquiring credit ratings
- Outstandingly high trading turnover rate compared with other infrastructure funds

(2) Acquisition of credit rating

- Aiming to strengthen financial base by acquiring a credit rating from JCR, developing bank formation, fixing procurement interest rates and extending loan periods.

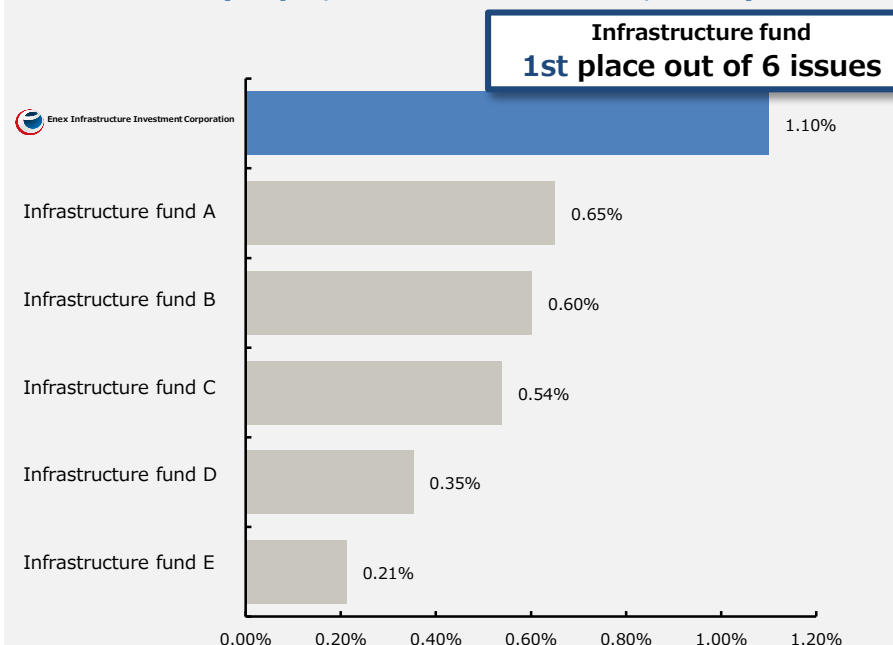
Japan Credit Rating Agency, Ltd. (JCR)

Long-term issuer rating: **A-**
Outlook: stable
(Announced on August 30, 2019)



(3) High trading turnover rate of investment units

- Outstandingly high trading turnover rate compared with other infrastructure funds.
<Average Ratio of Daily Trading Volume to the Number of Issued Investment Units>
 (July 1, 2019-December 30, 2019)



2.

Highlights - Financial Results for the Fiscal Period Ended
November 2019 (2nd Fiscal Period)

Highlights (1) - Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period)

- Full-period results are mostly as forecast.

	FY19/11 (2nd FP)			
(million yen)	FY19/11 (full-period) Forecast	FY19/11 (interim) Actual ^(Note 1)	FY19/11 (full-period) Actual	Progress
Operating revenue	1,256	518	1,257	100.1%
Operating income	428	192	427	99.8%
Ordinary income	312	125	315	101.0%
Net income	306	120	308	100.8%
Actual operating days ^(Note 2)	291 days	108 days	291 days	100.0%

Note 1: Operating period is 6 months from December 1, 2018, to May 31, 2019. Currencies and figures are rounded down to the nearest specified unit. Percentages are rounded off to the first decimal place.

Note 2: Actual investment management start date of the fiscal period ended November 2019 is February 13, 2019, the asset acquisition date.

	FY19/11 (2nd FP)				
Distribution per unit	Finalized (A)	Interim forecast (B)	(A)-(B)	Listing Date Forecast (C)	(A)-(C)
	5,980 yen	5,953 yen	27 yen	5,953 yen	27 yen
(Breakdown)					
Distribution per unit (excluding distribution in excess of earnings)	3,250 yen	3,223 yen	27 yen	3,064 yen	186 yen
Distribution in excess of earnings per unit	2,730 yen	2,730 yen	0 yen	2,889 yen	(159 yen)

Increase mainly due to number of new investment units issued at IPO being lower than expected.



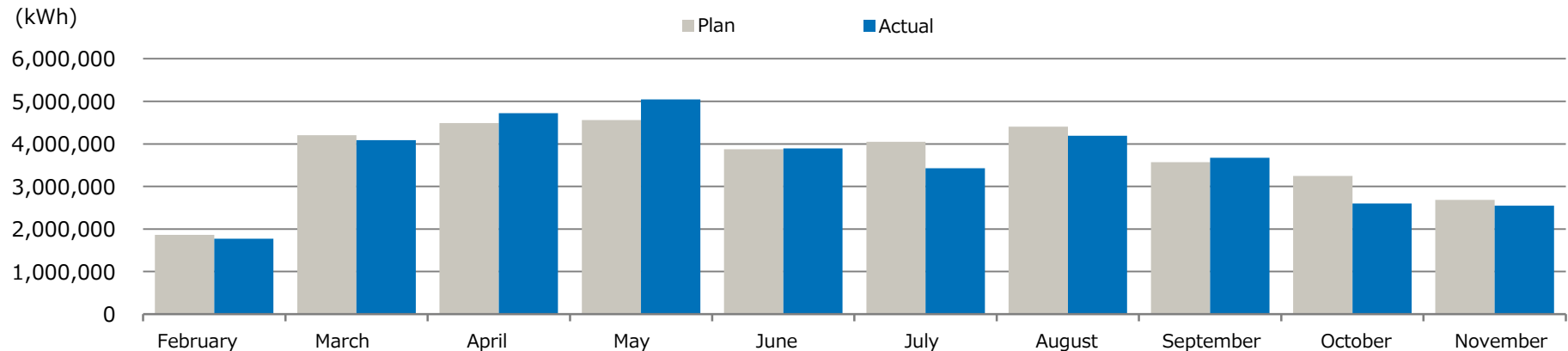
Highlights (2)- Financial Results for the Fiscal Period Ended November 2019 (2nd Fiscal Period)

- Although power generation for the full period was lower than initially forecast, distribution was unaffected due to the rent stabilization scheme.

Power generation operator (lessee)	Total (February 13, 2019-November 30, 2019)		
	Plan ^(Note 1)	Actual	Achievement
Power Generation (MWh)	36,928	35,953	97.4%
Revenue from electricity sales (million yen)	1,385	1,350	97.5%

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

<Change in Monthly Power Generation>



Note: Power generation for February is power generation for and after February 13, 2019, when EII acquired assets.



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

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

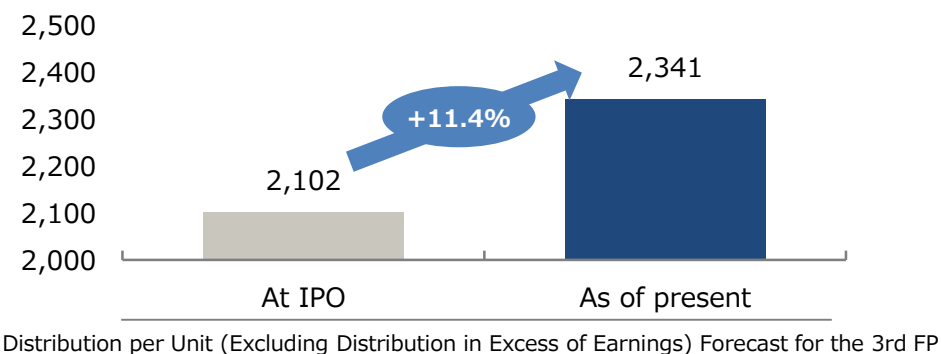
	Earnings Forecast for 3rd FP (ending November 2020)	Forecast for 3rd FP at IPO (ending November 2020)	Difference
Management status forecast			
Operating revenue	1,570 million yen	1,488 million yen	82 million yen
Operating income	313 million yen	293 million yen	20 million yen
Ordinary income	216 million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

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

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

<Assumptions>

[Operating revenue]	Fixed rent	1,570 million yen
[Operating expenses]	Property tax	178 million yen
	Land lease fee	87 million yen
	Depreciation	836 million yen
[Non-operating expenses]	Interest expenses	84 million yen



3.

Status of Assets Under Management

Portfolio Overview

- The asset size will expand to 18.5 billion yen as a result of the acquisition of Nagasaki Kinkai Solar Power Plant (acquisition price: approx. 1.1 billion yen), which was announced on January 10, 2020.

Total acquisition price

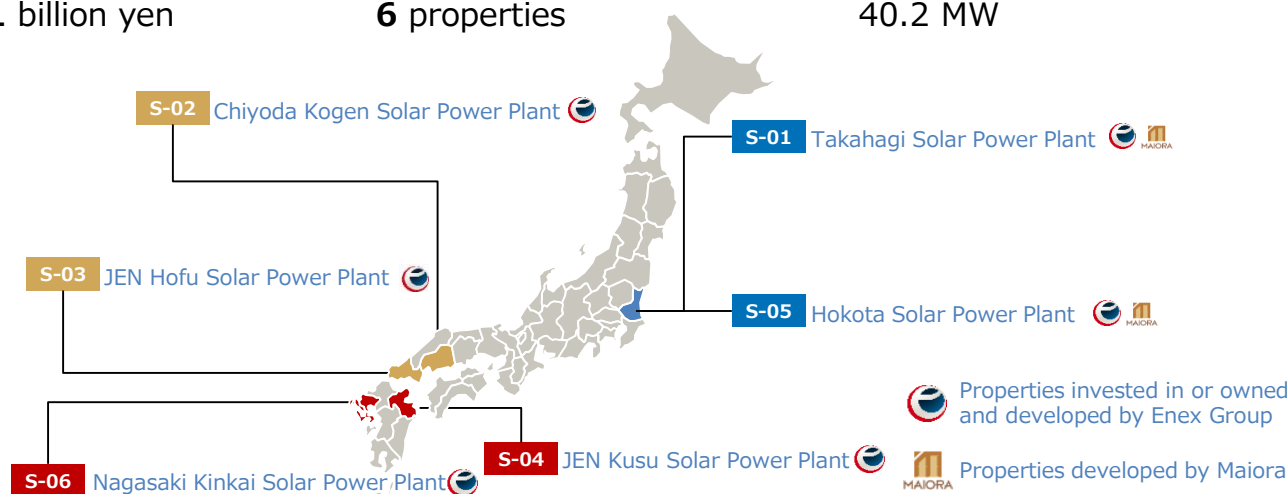
18.51 billion yen

Number of properties owned

6 properties

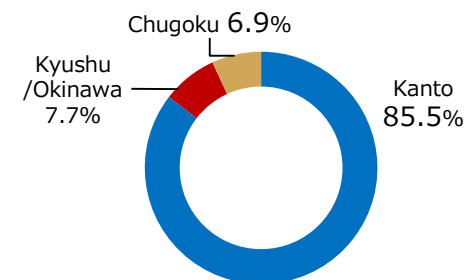
Total solar module output

40.2 MW

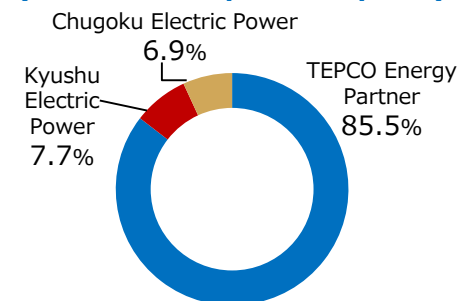


Property No.	Property name	Location	Acquisition price (million yen)	Solar module output (MW)	Tariff (yen per kWh)
S-01	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	5,305	11.5	40
S-02	Chiyoda Kogen Solar Power Plant	Yamagata-gun, Hiroshima	590	1.6	40
S-03	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi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

■ By Region (based on acquisition price)



■ By Electric Power Supplier (based on acquisition price)



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


Existing Portfolio Status (1)

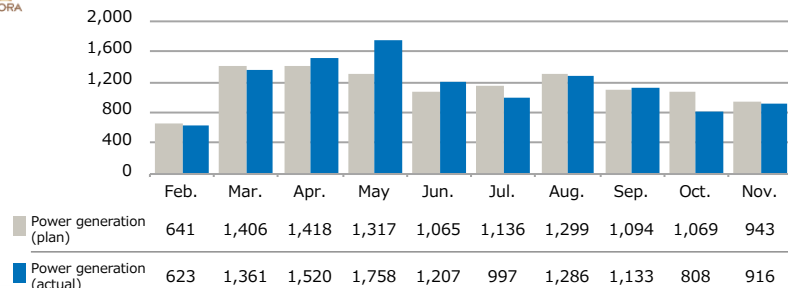
- Three out of five power plants exceeded the initial plan for power generation over the full year, while two fell below, generating a total of 97% of the plan.

Power generation operator (lessee)	S-01 Takahagi			S-02 Chiyoda Kogen			S-03 Hofu			S-04 Kusu			S-05 Hokota			Total		
	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement	Plan	Actual	Achievement
Power generation (MWh) (Note 2)	11,386	11,609	102%	1,544	1,601	104%	2,021	2,143	106%	961	930	97%	21,015	19,669	94%	36,928	35,953	97%
Revenue from electricity sales (million yen)	455	464	102%	61	64	104%	72	77	106%	38	37	97%	756	708	94%	1,385	1,350	98%


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

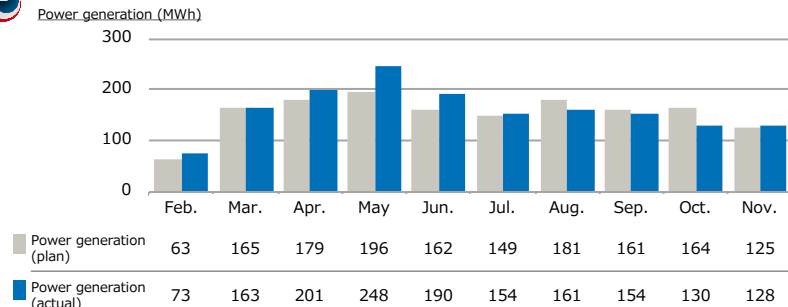
Note 2: Planned values are calculated based on the exceedance probability P (percentile) 50 in the technical report produced by an external expert.

S-01 Takahagi Solar Power Plant  Power generation (MWh)



- Achieved the planned power generation by generating of 102% against the plan.

S-02 Chiyoda Kogen Solar Power Plant  Power generation (MWh)



- Achieved the planned power generation by generating of 104% against the plan.

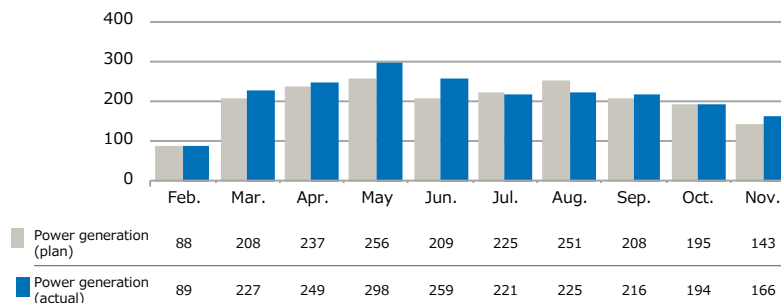
Note: Power generation indicated for February is power generation for and after February 13, 2019, when EII acquired assets. All figures are rounded to the first decimal place.

Existing Portfolio Status (2)

S-03 JEN Hofu Solar Power Plant



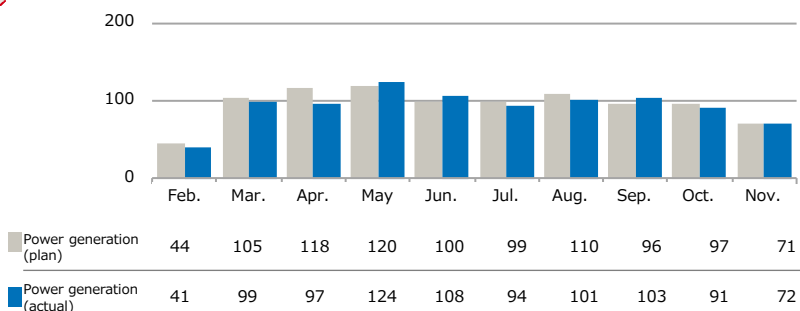
Power generation (MWh)



S-04 JEN Kusu Solar Power Plant



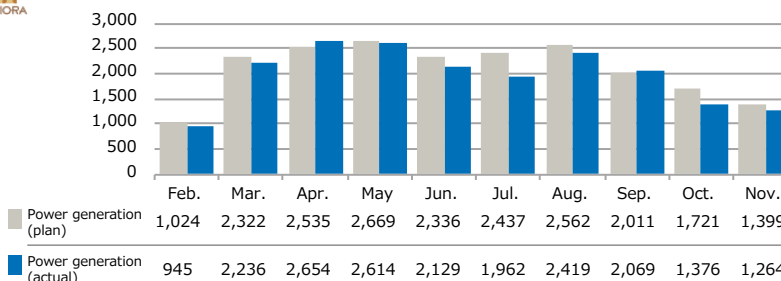
Power generation (MWh)



S-05 Hokota Solar Power Plant



Power generation (MWh)



Note: Power generation indicated for February is power generation for and after February 13, 2019, when EII acquired assets. All figures are rounded to the first decimal place.

- Achieved the planned power generation by generating of 106% against the plan

- Power generation facilities suspended operation for 15 days at the order of Kyushu Electric Power for power curtailment, and power generation during the suspension period was 97% against the plan as a result. There was no impact on EII's rent revenue from this, however, as the deficit was covered by the power generation operator's (SPC/lessee) reserve account for rent income.

- Power generation was 94% against the plan due to the decrease in solar radiation and equipment malfunction during the respective period. There was no impact on EII's rent revenue income from this, however, as the deficit was covered by the power generation operator's (SPC/lessee) reserve account for rent income.

Existing Portfolio Status (3)

- Earnings performance at each power plant was mostly as planned

<Status by Property>

(thousand yen)

Property name		Base rent (A)	Performance- linked rent (B)	Rent income from renewable energy power generation facilities (A+B)	Rent expenses		NOI before depreciation	NOI after depreciation
						(of which, depreciation)		
S-01	Takahagi Solar Power Plant	415,180	27	415,207	245,431	211,379	381,155	169,776
S-02	Chiyoda Kogen Solar Power Plant	52,395	418	56,813	29,815	24,496	47,494	22,998
S-03	JEN Hofu Solar Power Plant	63,453	-	63,453	31,788	25,154	56,818	31,664
S-04	JEN Kusu Solar Power Plant	31,458	-	31,458	21,194	18,608	28,872	10,264
S-05	Hokota Solar Power Plant	694,330	-	694,330	409,309	381,504	666,525	285,021
Total		1,256,818	446	1,257,264	737,539	661,144	1,180,869	519,725

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



Impact of Power Curtailment

- Kusu was the only power plant subject to power curtailment
- No impact on EII's profit plan thanks to the rent stabilization scheme

Curtailment Status

- Power curtailment was implemented in Kyushu for a total of 59 days after EII's acquisition of the properties up to the end of the fiscal period (February 13, 2019 to November 30, 2019), and for 15 days at the JEN Kusu Solar Power Plant.
- For the period until the end of the fiscal period, the impact on the lessee's estimated lost earnings for the entire portfolio owned by EII is limited (0.15%).
- No impact on rent revenue of EII thanks to the rent stabilization scheme.

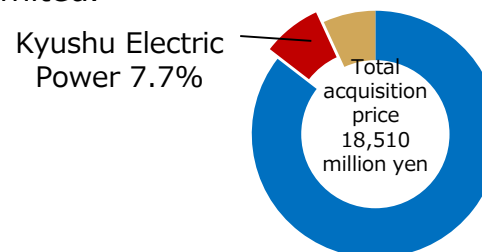
Moves to Reduce Power Curtailment

- Discussions are ongoing at the working group under the Agency for Natural Resources and Energy for reduction of power curtailment.
 - (1) Further utilization of interconnections
 - (2) Expansion of online control
 - (3) Lowering of minimum output by thermal, etc.
 - (4) Economic adjustment in power curtailment

Source: Working Group for Energy Efficiency and Conservation Subcommittee of the Committee on Energy Efficiency under the 18th Advisory Committee for Natural Resources and Energy, November 12, 2018.

Ratio of Kyushu Area

- The percentage of properties located within the service area of Kyushu Electric Power in EII's portfolio is small at 7.7%, and thus the impact of power curtailment is limited.



Memo: Mechanism of Power Curtailment

In order to maintain the supply-demand balance of electricity and avoid occurrence of widespread power outage, it is necessary to adjust power generation when supply exceeds demand. In such a case, the "prioritized power supply rule" dictates in what order power generation should be supplied given demand.

Order Based on the Prioritized Power Supply Rule	
(1)	Power curtailment of thermal (oil, gas, coal), utilization of pumped water
(2)	Power transmission to other regions (interconnection)
(3)	Power curtailment of biomass power plants
(4)	Power curtailment of solar and wind power
(5)	Power curtailment of long-term fixed sources of electricity* (hydroelectric, nuclear, thermal)
*Power curtailment is technically difficult	

Source: Agency for Natural Resources and Energy

4.

Management Strategy

Environment Surrounding Renewable Energy

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

<The Fifth Strategic Energy Plan>

Measures towards 2030

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

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

<Main measures>

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

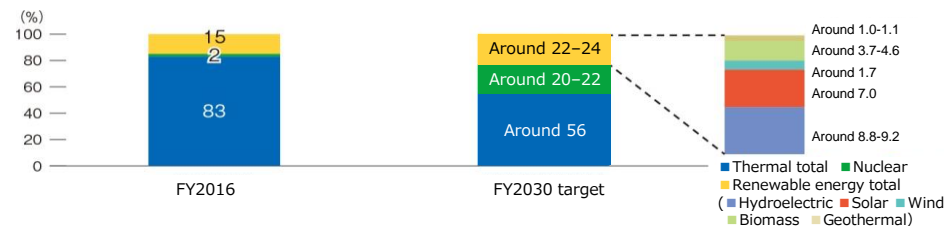
Measures towards 2050

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

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

<Main Direction>

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

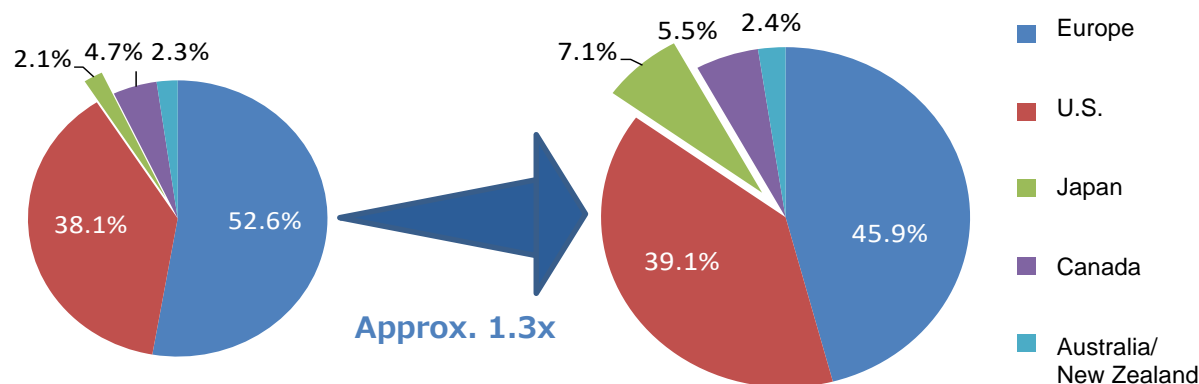


- Renewable energy, which is domestically produced, low-carbon energy, will be introduced proactively and account for around 22 to 24% of the total power generation in 2030
- In order to achieve the high target of reducing greenhouse gas emissions by 80%, the Japanese government is striving for an energy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

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>

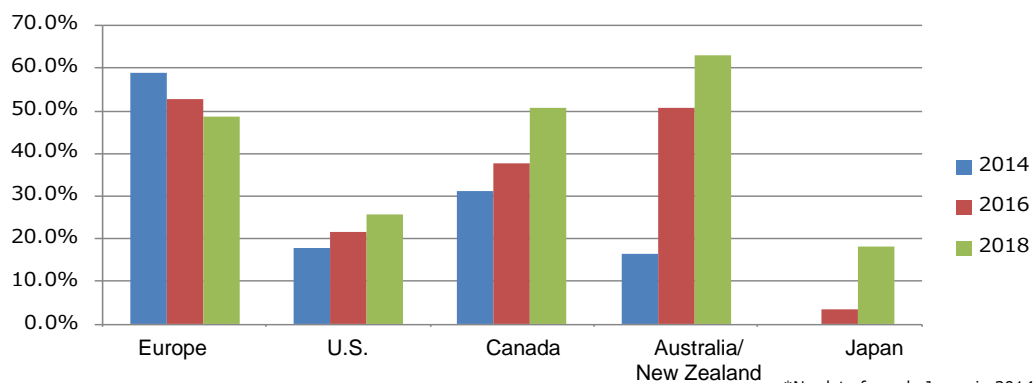


Total ESG Investment Worldwide
2016: 22,890.0 billion dollars

2018: 30,068.3 billion dollars

- 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 investments 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>



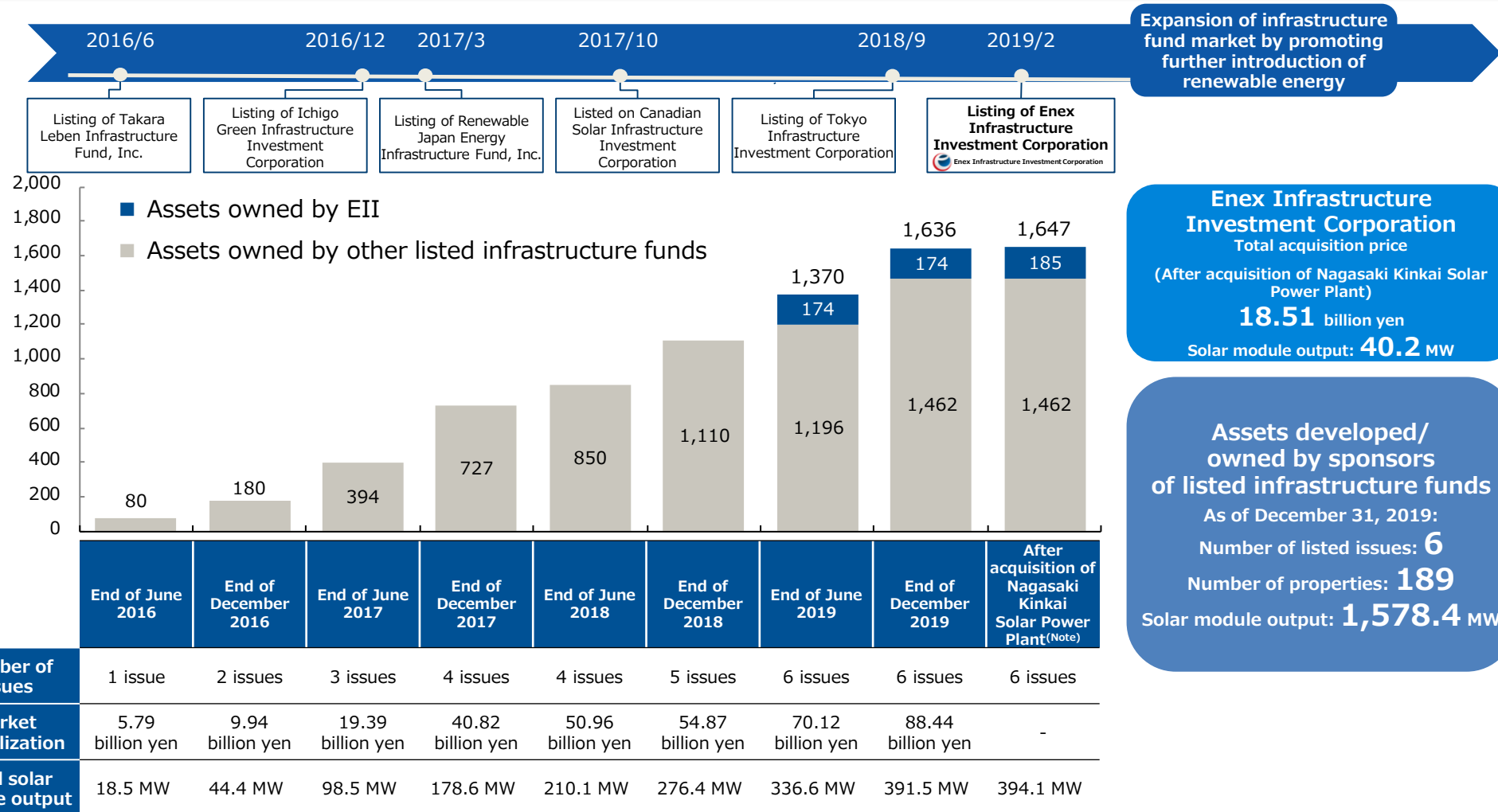
- The ratio of ESG investment to total AUM is growing steadily in major regions of the world, except for in Europe where the ratio is already high.
- As for Japan, while the ratio has grown to 18%, the country still lags behind other major regions
- In the global trend of expanding ESG investment, Japan's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

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



External Environment of Japanese Infrastructure Funds

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

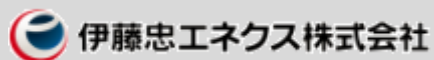


Note: Figures after the acquisition of Nagasaki Kinkai Solar Power Plant are indicated for EII, and figures as of December 31, 2019, are indicated for other infrastructure funds.



Wide-Ranging Support from the Sponsors (1)

- Aim 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



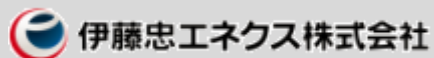
- Market research on renewable energy by Itochu Enex and Maiora
- Sumitomo Mitsui Trust Bank's operating know-how on J-REITs and expertise in finance
- Mercuria Investment's know-how on appropriate information disclosure and operation of invest corporations based on its proven track record
- Provision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



- 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 nighttime 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

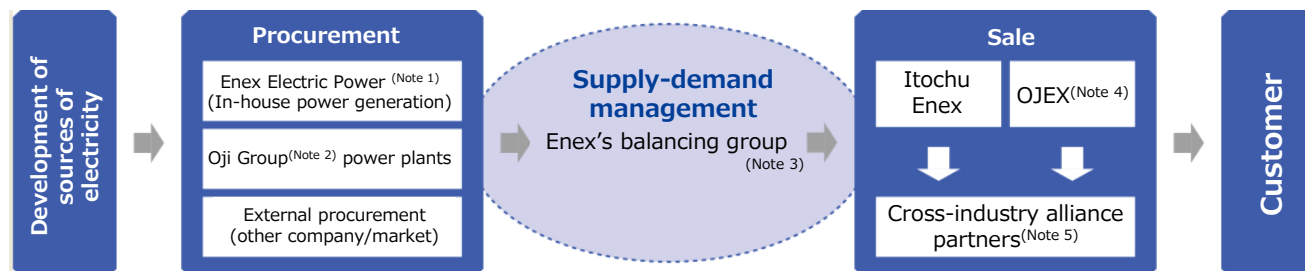
- Holding of investment units by the sponsors (same-boat investment)



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

Wide-Ranging Support from the Sponsors (2)

- Itochu Enex Group conducts business ranging from power generation to sales under an integrated system
- Support for electricity sales will be provided after the end of the FIT period for the power generation facilities owned by EII



Note 1: Enex Electric Power refers to Enex Electric Power Co., Ltd., a wholly owned subsidiary of Itochu Enex. The same shall apply hereinafter.

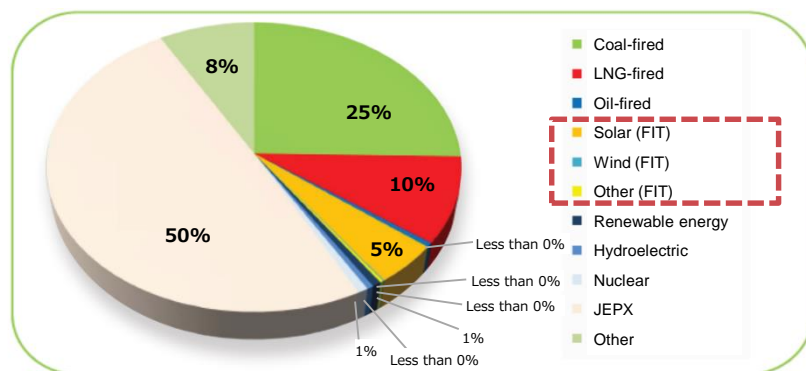
Note 2: "Oji Group" refers collectively to Oji Holdings Corporation and its group companies.

Note 3: "Balancing group" refers to a mechanism in which multiple electricity retailers and general power transmission and distribution operators enter into a transportation service agreement and select a representative contractor.

Note 4: "OJEX" is the abbreviation of "Oji-Itochu Enex power Retailing Co., Ltd.," an electricity sales company jointly established by Itochu Enex and one of Oji Holdings Corporation's subsidiaries, Oji Green Resources Co., Ltd.

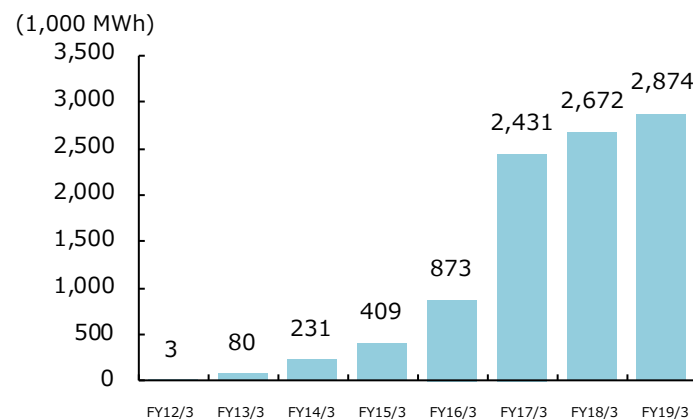
Note 5: "Cross-industry alliance partners" refer to external broker/agent partners not holding the electricity retail license.

Composition of Itochu Enex Group's Sources of Electricity
(April 1, 2017–March 31, 2018)



Source: Prepared by EII based on the published materials of Itochu Enex

Change in Itochu Enex Group's Electricity Sales Volume

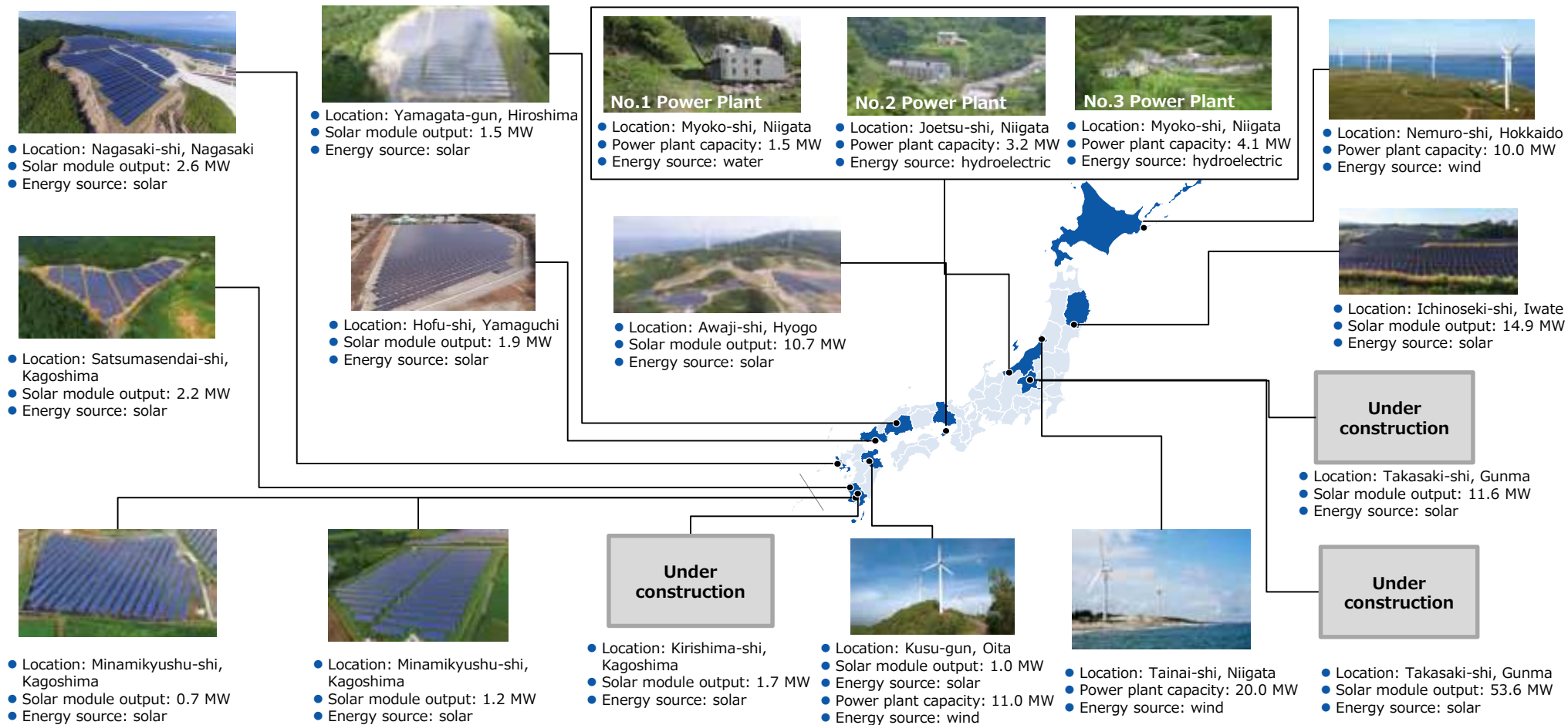


Source: Prepared by EII based on the published materials of Itochu Enex.

Itochu Enex's Major Renewable Energy Development and Track Record

■ Enex Group develops and operates power generation facilities that use a wide range of renewable energies

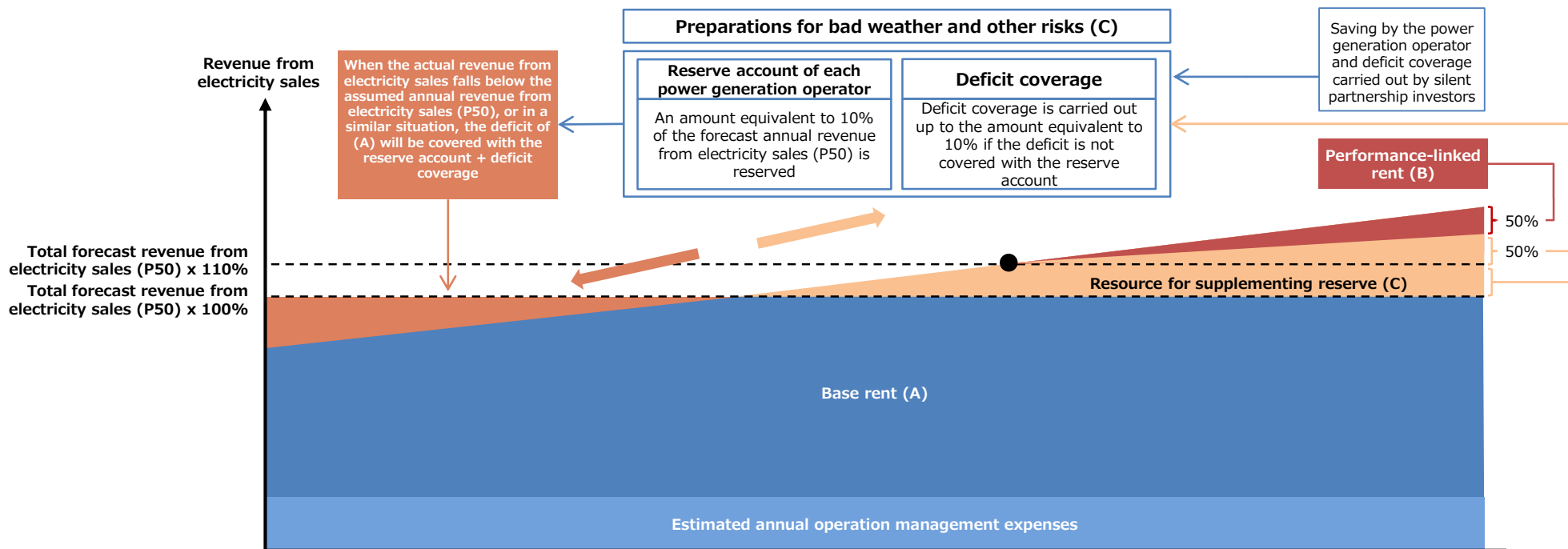
The Enex Group develops and operates power generation facilities that use a wide range of renewable energies, such as wind, hydroelectric and solar, and promotes continuous expansion of power generation capacity.



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

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

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

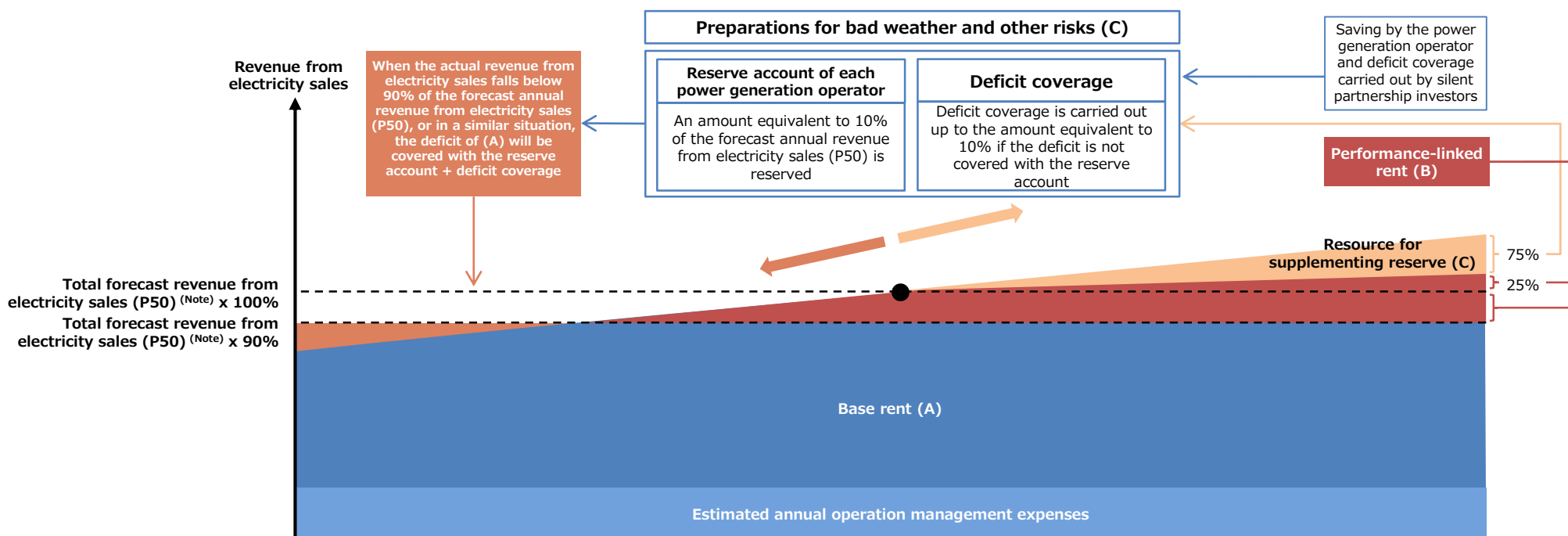


- (A) Base rent: An amount obtained by deducting estimated annual operational management expenses from **100% of the total forecast annual revenue from electricity sales (P50)** based on the forecast power generation.
- (B) Performance-linked rent: When the actual revenue from electricity sales **exceeds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

Rent Scheme That Enables Creation of Long-Term Stable Cash Flow (Newly Acquired Properties)

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

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



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

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

Sound Financial Management

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

Borrowing period (Note 1)

Fixed interest ratio (Note 2)

LTV (as of the end of the 2nd FP) LTV (After additional acquisition of property)

17 years

50%

55.6%

58.1%

<Properties Acquired at IPO>

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

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

Note 2: Excluding short-term loans payable.

<Additionally Acquired Properties>

Category	Lender	Interest rate	Borrowing amount (million yen)	Repayment method	Drawdown date (planned)	Repayment date	Borrowing period
Long-term	Shinsei Bank, Limited ^(*)	Base rate + 0.45%	605	Installment	January 17, 2020	May 31, 2038	18 years
Long-term	Shinsei Bank, Limited ^(*)	To be fixed (Scheduled for January 15)	605	Installment	January 17, 2020	May 31, 2038	18 years

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

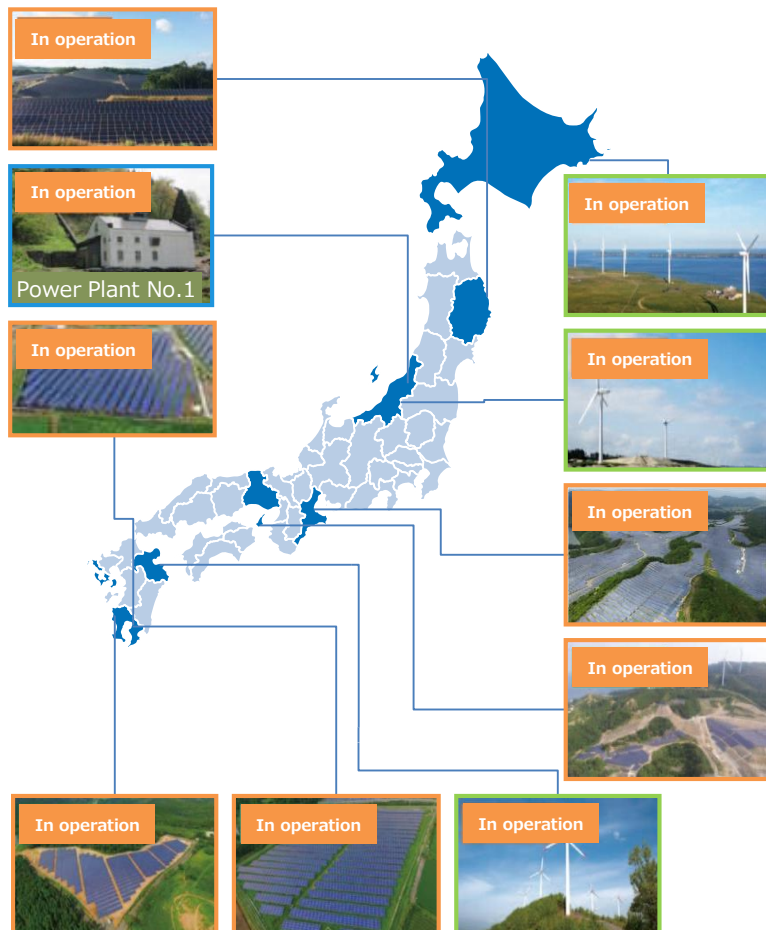


Status of Sponsor Pipeline

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

The number of pipeline properties currently in operation and under construction is 15 properties (244.4 MW), securing future external growth potential. EII will continue to realize external growth with continued sponsor support.

■ Pipeline Properties in Operation



■ Properties in Pipeline

Energy source	Location	Status	Installed capacity	FIT price	Scheduled FIT term end
Solar	Ichinoseki-shi, Iwate	In operation	14.9 MW	36 yen	September 2038
	Matsusaka-shi, Mie	In operation	98.0 MW	32 yen	March 2039
	Minamiawaji-shi, Hyogo	In operation	10.7 MW	40 yen	January 2039
	Sendai-shi, Kagoshima	In operation	2.2 MW	32 yen	April 2039
	Minamikyushu-shi, Kagoshima	In operation	1.2 MW	32 yen	March 2039
	Minamikyushu-shi, Kagoshima	In operation	0.7 MW	32 yen	April 2039
	Kirishima-shi, Kagoshima	Under construction	1.7 MW	36 yen	-
	Takasaki-shi, Gunma	Under construction	53.6 MW	40 yen	-
	Takasaki-shi, Gunma	Under construction	11.6 MW	32 yen	-
Solar subtotal	In operation and under construction: 9 properties/194.6 MW				
Wind	Tainai-shi, Niigata	In operation	20.0 MW	22 yen	September 2034
	Kusu-gun, Oita	In operation	11.0 MW	20.72 yen	March 2025
	Nemuro-shi, Hokkaido	In operation	10.0 MW	20.20 yen	November 2024
Wind subtotal	In operation: 3 properties/41.0 MW				
Hydroelectric ^(Note)	Myoko-shi, Niigata	In operation	1.5 MW	27 yen	December 2039
	Joetsu-shi, Niigata	Under construction	3.2 MW	27 yen	-
	Myoko-shi, Niigata	Under planning	4.1 MW	27 yen	-
Wind subtotal	In operation: 3 properties/8.8 MW				
Total	In operation and under construction: 15 properties/244.4 MW				

Note: Work to respond to the FIT system is either under way or planned.

Initiatives for Diversifying Sources of Electricity

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

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

Solar Power Generation



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

Wind Power Generation



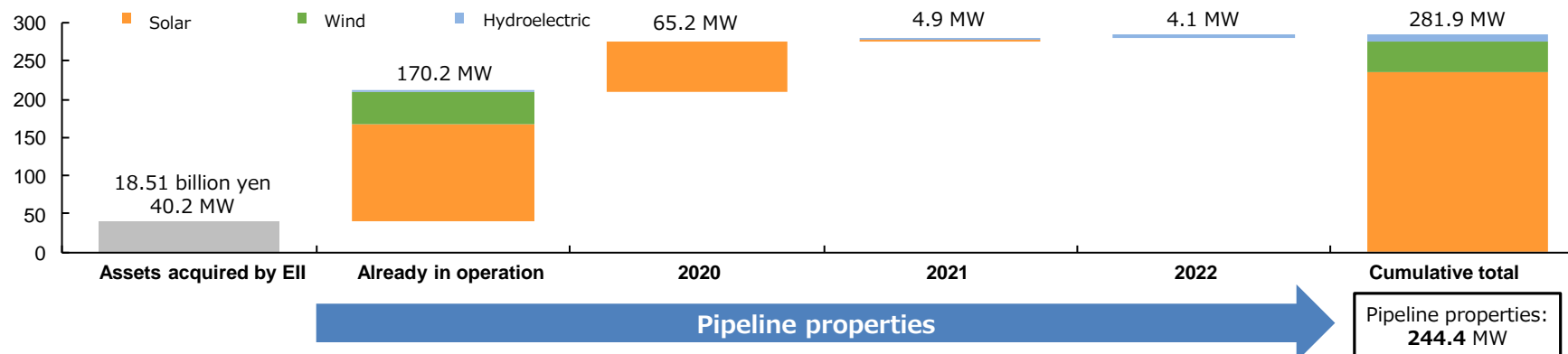
- ▲ Night-time power generation is possible
- ▲ Power generation increases in winter
- ▼ Fluctuation in power generation is relatively high
- ▼ Development period is long
- ▼ Sophisticated management know-how is required

Hydroelectric Power Generation



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

■ Launch Schedule of Pipeline Properties



Note: Assets acquired by EII show figures after the acquisition of Nagasaki Kinkai Solar Power Plant scheduled to be acquired on January 17, 2020.

5.

Appendix

Overview of EII

■ Corporate Profile

Company name	Enex Infrastructure Investment Corporation
Representative	Executive Officer Takayuki Yamamoto
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
- ◆ July 2019 Announcement of interim financial results for the fiscal period ended November 2019 (2nd fiscal period)
- ◆ November 2019 Settlement of the fiscal period ended November 2019 (2nd fiscal period)
- ◆ January 2020 Announcement of financial results for the fiscal period ended November 2019 (2nd fiscal period)





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



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



Equity stake in the Asset Management Company: 22.5%

- Track record of REIT management through domestic 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)

Key Topics for the Period

■ Listed on the Infrastructure Fund Market at the Tokyo Stock Exchange



Pricing date	February 1, 2019
Listing date	February 13, 2019
Number of units issued (primary offering)	90,000 units
Issue price (per unit)	92,000 yen
Total issue price	8,280 million yen
Lead managers	SMBC Nikko Securities Inc. Daiwa Securities Co. Ltd.

- ✓ **Sixth infrastructure fund to be listed**
- ✓ **Asset size (acquisition price basis) at the time of listing: 17.4 billion yen (second-largest asset size in history of Infrastructure Fund Market at time of listing)**

Balance Sheet

Balance Sheet

	(Unit: thousand yen)
	Current period (November 30, 2019)
Assets	
Current assets	
Cash and deposits	943,071
Trade accounts receivable	110,183
Prepaid expenses	29,513
Consumption taxes receivable	1,219,219
Total current assets	2,301,988
Non-current assets	
Property, plant and equipment	
Machinery and equipment	16,749,935
Accumulated depreciation	(661,144)
Machinery and equipment, net	16,088,791
Construction in progress	-
Total property, plant and equipment	16,088,791
Intangible assets	
Leasehold interests in land	1,378,753
Trademark right	734
Software	5,846
Total intangible assets	1,385,334
Investments and other assets	
Leasehold and guarantee deposits	70,000
Long-term prepaid expenses	249,955
Deferred tax assets	32
Total investments and other assets	319,987
Total non-current assets	17,794,113
Total assets	20,096,101

	(Unit: thousand yen)
	Current period (November 30, 2019)
Liabilities	
Current liabilities	
Current portion of long-term loans payable	1,900,866
Operating accounts payable	1,741
Accounts payable - other	39,569
Income taxes payable	1,876
Accrued expenses	435
Other	547
Total current liabilities	1,945,035
Non-current liabilities	
Long-term loans payable	9,265,052
Asset retirement obligations	465,894
Total non-current liabilities	9,730,946
Total liabilities	11,675,981
Net assets	
Unitholders' equity	
Unitholders' capital	8,121,664
Surplus	
Unappropriated retained earnings (undisposed loss)	298,455
Total surplus	298,455
Total unitholders' equity	8,420,119
Total net assets	8,420,119
Total liabilities and net assets	20,096,101



Statement of Income

Statement of Income

(Unit: thousand yen)

Current period
From December 1, 2018
to November 30, 2019

Operating revenue	
Rent income from renewable energy power generation facilities	1,257,264
Total operating revenue	1,257,264
Operating expenses	
Rent expenses from renewable energy power generation facilities	737,539
Asset management fee	48,416
Asset custody and general administration fees	14,891
Remuneration for directors	8,400
Other operating expenses	20,614
Total operating expenses	829,861
Operating income	427,402
Non-operating income	
Interest income	3
Interest on tax refund	1
Other	0
Total non-operating income	4
Non-operating expenses	
Interest expenses	65,933
Borrowing-related expenses	6,230
Investment unit issuance expenses	39,598
Total non-operating expenses	111,762
Ordinary income	315,645
Net income (loss) before income taxes	315,645
Income taxes - current	1,877
Income taxes - deferred	4,788
Total income taxes	6,665
Net income	308,979
Retained earnings (deficit) brought forward	(10,524)
Unappropriated retained earnings (undisposed loss)	298,455

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

(Unit: thousand yen)

Current period
From December 1, 2018
to November 30, 2019

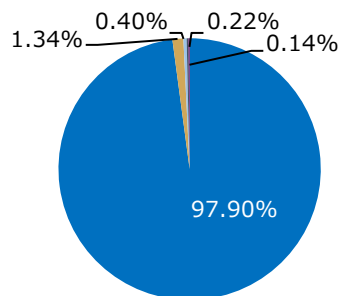
A. Operating revenue from the rental business of renewable energy power generation facilities	
Rent income from renewable energy power generation facilities	
(Base rent)	1,256,818
(Performance-linked rent)	446
Total revenue from the rental business of renewable energy power generation facilities	1,257,264
B. Operating expenses from the rental business of renewable energy power generation facilities	
Rent expenses from renewable energy power generation facilities	
(Insurance expenses)	7,700
(Repair expenses)	2,015
(Depreciation)	661,144
(Rent expenses on land and buildings)	66,250
(Other expenses)	428
Total expenses from the rental business of renewable energy power generation facilities	737,539
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	519,725



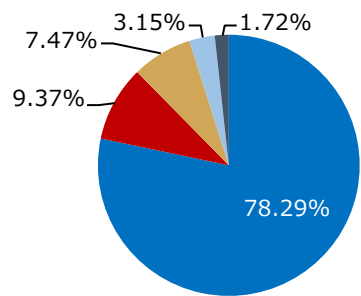
Unitholders' Status at the End of Fiscal Period Ended November 2019 (2nd Fiscal Period)

<Unitholder Category>

Investment unitholder number ratio



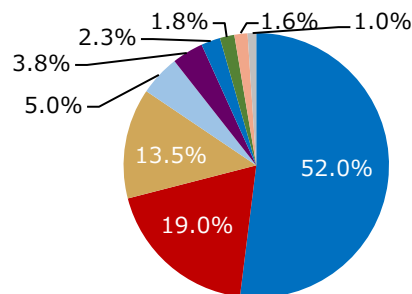
Investment unit number ratio



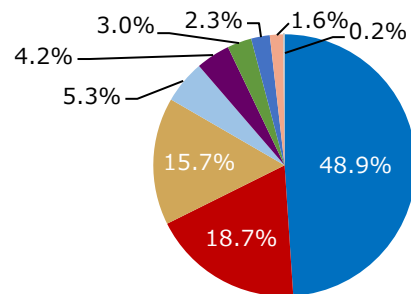
■ Individual and other ■ Financial institution ■ Other domestic company ■ Foreign national ■ Securities company

<Region>

Investment unitholder number ratio



Investment unit number ratio



■ Kanto ■ Kinki ■ Chubu ■ Kyushu/Okinawa ■ Chugoku
■ Tohoku ■ Shikoku ■ Hokkaido ■ Overseas

<Top 10 Unitholders >

Name or company name	Number of investment units held (units)	As a percentage of total number of investment units issued and outstanding (%)
1. Itochu Enex Co., Ltd.	2,370	2.58
2. Yamato Shinkin Bank	1,900	2.07
3. Individual investor	1,400	1.52
4. THE FUKUHO BANK,LTD.	1,320	1.44
5. Individual investor	1,300	1.42
6. The Okazaki Shinkin Bank	1,198	1.30
7. Sumitomo Mitsui Trust Bank, Limited	1,065	1.16
8. Mercuria Investment Co., Ltd.	1,065	1.16
9. The Bank of Fukuoka, Ltd.	1,020	1.11
10. Rakuten Securities, Inc.	985	1.07



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