

Summary of Financial Results for the Fiscal Period Ended November 2022 (Infrastructure Fund)

January 13, 2023

Infrastructure Fund Issuer:	Enex Infrastructure Investment Corporation	Listing Exchange:	Tokyo Stock Exchange
Securities Code:	9286	URL:	https://enexinfra.com/en
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Supplementary materials for financial results: Yes
 Financial results briefing: No (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended November 2022 (from June 1, 2022 to November 30, 2022)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended Nov. 2022	2,679	(3.8)	873	(15.4)	650	(24.1)	649	(24.1)
Fiscal period ended May 2022	2,784	-	1,032	-	856	-	855	-

	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	Yen	%	%	%
Fiscal period ended Nov. 2022	1,859	2.3	0.9	24.3
Fiscal period ended May 2022	2,450	2.9	1.2	30.7

(2) Status of Cash Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distribution (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distribution in excess of earnings	Distribution per unit (including distribution in excess of earnings)	Total distribution (including distribution in excess of earnings)	Payout ratio	Ratio of distribution to net assets
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended Nov. 2022	1,861	649	1,139	397	3,000	1,047	100.1	2.3
Fiscal period ended May 2022	1,766	616	1,264	441	3,030	1,057	72.1	2.2

(Note 1) Enex Infrastructure Investment Corporation (hereinafter “EII”) has changed its settlement of accounts (fiscal period end) from the last day of November of each year to become the last day of May and the last day of November of each year, effective from its 5th fiscal period (from December 1, 2021 to May 31, 2022). Accordingly, no rate of period-on-period change is indicated for the fiscal period ended May 2022.

(Note 2) The 1,264 yen in distribution in excess of earnings per unit for the fiscal period ended May 2022 comprises 707 yen in reserve for temporary difference adjustments and 557 yen in the other part of distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended May 2022 comprises 246 million yen in reserve for temporary difference adjustments and 194 million yen in refund of investment which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.

(Note 3) The 1,139 yen in distribution in excess of earnings per unit for the fiscal period ended November 2022 comprises 126 yen in reserve for temporary difference adjustments and 1,013 yen in the other part of distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended November 2022 comprises 43 million yen in reserve for temporary difference adjustments and 353 million yen in refund of investment which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.

(Note 4) The payout ratio is calculated using the following formula.

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

(Note 5) The payout ratio and the ratio of distribution to net assets for the fiscal period ended May 2022 are 100.9% and 3.0%, respectively, if they are calculated by using the sum total of distribution excluding distribution in excess of earnings and the portion of reserve for temporary difference adjustments in the distribution in excess of earnings. The payout ratio and the ratio of distribution to net assets for the fiscal period ended November 2022 are 106.8% and 2.4%, respectively, if they are calculated by using the sum total of distribution excluding distribution in excess of earnings and the portion of reserve for temporary difference adjustments in the distribution in excess of earnings. The payout ratio is calculated using the following formula.
Payout ratio = (distribution excluding distribution in excess of earnings + portion of reserve for temporary difference adjustments in distribution in excess of earnings) / net income x 100

(Note 6) The ratio of reduced surplus, etc. due to distribution in excess of earnings (refund of investment) for the fiscal period ended May 2022 is 0.007. For the fiscal period ended November 2022, it is 0.013.

(3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended Nov. 2022	68,041	28,464	41.8	81,542
Fiscal period ended May 2022	69,257	28,639	41.4	82,042

(4) Status of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended Nov. 2022	3,034	(1)	(2,215)	5,295
Fiscal period ended May 2022	4,152	(6,807)	698	4,478

2. Forecast of Management Status for the Fiscal Period Ending May 2023 (from December 1, 2022 to May 31, 2023) and

3. Forecast of Management Status for the Fiscal Period Ending November 2023 (from June 1, 2023 to November 30, 2023)

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

	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending May 2023	2,525	(5.8)	666	(23.7)	450	(30.7)	449	(30.7)	1,288	1,712	3,000
Fiscal period ending Nov. 2023	2,666	5.6	784	17.7	553	22.8	552	22.9	1,583	1,417	3,000

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

(Fiscal period ending May 2023) 1,288 yen; (Fiscal period ending November 2023) 1,582 yen

(Note) Distribution per unit for the fiscal period ending May 2023 and fiscal period ending November 2023 are calculated by taking into account the earnings as designated in Article 136-1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter the "Investment Trusts Act") based on the assumption that the fair value of hedge losses in the valuation of interest rate swaps recognized in the fiscal period ended November 2022 has not changed from that at the end of the fiscal period ended November 2022.

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

1) Total number of investment units issued and outstanding (including treasury units) at end of period	Fiscal period ended Nov. 2022	349,075 units	Fiscal period ended May 2022	349,075 units
2) Number of treasury units at end of period	Fiscal period ended Nov. 2022	0 units	Fiscal period ended May 2022	0 units

(Note) For the number of investment units based on which net income per unit is calculated, please refer to “Notes to Per Unit Information” on page 29.

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

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

Forecast of management status and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable by EII. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of distributions and distributions in excess of earnings. For the assumptions underlying the forecast of management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2023 (from December 1, 2022 to May 31, 2023) and Fiscal Period Ending November 2023 (from June 1, 2023 to November 30, 2023)” on page 8.

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1. Management Status

(1) Management Status

1) Overview of the Fiscal Period under Review

(a) Brief History of Enex Infrastructure Investment Corporation

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

EII issued additional investment units (90,000 units) through public offering (primary offering) on February 12, 2019, and was listed on the Infrastructure Fund Market of Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) the following day (securities code: 9286). On March 13, 2019, EII issued new investment units (825 units) through third-party allotment.

After that, EII issued additional investment units (245,000 units) through public offering (primary offering) on December 1, 2020, and issued new investment units (12,250 units) through third-party allotment on December 23, 2020. As a result, the total number of investment units issued and outstanding is 349,075 units as of November 30, 2022.

(b) Investment Environment and Management Results

During the fiscal period under review, while the Japanese economy saw a partial prevalence of COVID-19, due to surging prices of resources impacted by geopolitical risks, such as the situation in Ukraine, the FRB’s interest rate hikes due to inflation in the U.S., and a weaker yen against the backdrop of an interest rate difference between Japan and the U.S., the outlook remained uncertain.

Under such an investment environment, the number of already acquired assets stood at nine properties as of the end of the period under review (total solar module output of (Note 1) 155.5 MW and total price (Note 2) of 61,938 million yen).

(Note 1) “Solar module output” refers to the output calculated by multiplying the rated output per solar module (maximum output in the use of the solar module; the same shall apply hereinafter) used at each solar power generation facility by the total number of modules. The total solar module output is rounded to the first decimal place. The same shall apply hereinafter.

(Note 2) “Price” refers to the median value calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the valuation of each power plant in the range shown in the valuation report, with November 30, 2022, as the valuation date, obtained from PricewaterhouseCoopers Sustainability LLC. The same shall apply hereinafter.

(c) Overview of Financing

During the fiscal period under review, EII borrowed 7,000 million yen (the final repayment due in November 30, 2023) from Sumitomo Mitsui Trust Bank, Limited on November 30, 2022, to appropriate funds for refinancing short-term loans of 7,000 million yen from a committed line of credit due on November 30, 2022. EII also conducted scheduled repayment of 8,157 million yen during the fiscal period under review. As a result, the balance of borrowings as of November 30, 2022, was 38,471 million yen, with the ratio of interest-bearing debt to total assets (hereinafter “LTV”) standing at 56.5%.

Moreover, EII was assigned the following credit rating as of November 30, 2022.

<Credit rating>

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

(d) Overview of Business Performance and Cash Distributions

As a result of the above operations, EII posted operating revenue of 2,679 million yen, operating income of 873 million yen, ordinary income of 650 million yen and net income of 649 million yen for the fiscal period under review.

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

Based on such policy, for distribution of earnings (excluding distribution in excess of earnings) for the fiscal period under review, EII decided to pay out 649 million yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act after deducting the reversal of reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations; the same shall apply hereinafter) (Cabinet Office Order No. 47 of 2006, as amended), in application of the Act on Special Measures Concerning Taxation for investment corporations. Accordingly, distribution of earnings per unit (excluding distribution in excess of earnings) was determined to be 1,861 yen. In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations) relating to operating accounts receivable, asset retirement obligations, etc., EII decided to conduct distribution in excess of earnings per unit of 126 yen related to the reserve for temporary difference adjustment, as well as other distribution in excess of earnings per unit of 1,013 yen.

Accordingly, distribution per unit for the fiscal period under review came to 3,000 yen (of which, distribution in excess of earnings per unit was 1,139 yen).

2) Outlook for the Next Fiscal Period

(a) New Property Acquisitions (External Growth)

EII owns future pipelines backed by the stable property development capability of the Enex Group (Note 1) and Maiores through the sponsor support agreement. Utilizing the pipelines, EII will proactively work to achieve external growth. EII also believes that its external growth will be bolstered by the sponsors' wide-ranging know-how as specialists of renewable energy power generation businesses and financial transactions for the business, including their experience in developing renewable energy power generation facilities (Note 2) as well as collecting and analyzing information and conducting financing to precede the development.

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

Regarding Hokota Solar Power Plant that EII owns, to boost earnings, sponsor Mercuria Investment Co., Ltd. took the initiative in planning to install additional panels for approximately 2.6 MW. As of today, Mercuria Investment is in the process of obtaining approval and permission needed for development. If the acquisition of said approval and permission are completed and related construction work goes as planned, the installation is expected to be completed by the end of May 2023. Then, if there are no issues in operational testing, EII would consider acquiring the additional portion. There is no fact that EII decided to acquire the additional portion and there is no guarantee that it will be incorporated into EII's portfolio in the future.

(Note 1) The Enex Group collectively refers to Itochu Enex and its 46 subsidiaries plus its 20 affiliated companies accounted for by the equity method (as of March 31, 2022).

(Note 2) "Renewable energy power generation facilities" refers to those provided in Article 2-2 of the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources (Act No. 108 of 2011, as amended) (excluding those falling under the category of real estate). The same shall apply hereinafter.

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

(b) Management and Operations (Internal Growth)

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

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

(Note) "Renewable energy power generation facilities" refers to renewable energy power generation facilities, real estate incidental or related to renewable energy power generation facilities, the leasehold rights and the superficies rights of said real estate, and these assets and assets incidental or related thereto under the laws and regulations of foreign countries. They may be referred to as "renewable energy power generation facilities" including renewable energy power generation facilities, etc. that underlie EII's assets under management. Of these, those that use sunlight as the energy source shall be referred to as "solar power generation facilities." The same shall apply hereinafter.

(c) Financial Strategy

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

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

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

(2) Significant Subsequent Events

Not applicable.

(3) Forecast of Management Status

EII forecasts its management status for the fiscal period ending May 2023 (from December 1, 2022 to May 31, 2023) and fiscal period ending November 2023 (from June 1, 2023 to November 30, 2023) as follows. For the assumptions of the management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2023 (from December 1, 2022 to May 31, 2023) and Fiscal Period Ending November 2023 (from June 1, 2023 to November 30, 2023)” below.

Forecast of Management Status for the Fiscal Period Ending May 2023 (from December 1, 2022 to May 31, 2023)

Operating revenue	2,525 million yen
Operating income	666 million yen
Ordinary income	450 million yen
Net income	449 million yen
Distribution per unit (excluding distribution in excess of earnings)	1,288 yen
Distribution in excess of earnings per unit	1,712 yen
Distribution per unit (including distribution in excess of earnings)	3,000 yen

Forecast of Management Status for the Fiscal Period Ending November 2023 (from June 1, 2023 to November 30, 2023)

Operating revenue	2,666 million yen
Operating income	784 million yen
Ordinary income	553 million yen
Net income	552 million yen
Distribution per unit (excluding distribution in excess of earnings)	1,583 yen
Distribution in excess of earnings per unit	1,417 yen
Distribution per unit (including distribution in excess of earnings)	3,000 yen

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

Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2023 (from December 1, 2022 to May 31, 2023)
and Fiscal Period Ending November 2023 (from June 1, 2023 to November 30, 2023)

Item	Assumptions
Calculation period	Fiscal period ending May 2023: from December 1, 2022 to May 31, 2023 (182 days) Fiscal period ending November 2023: from June 1, 2023 to November 30, 2023 (183 days)
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 349,075 units, which is the number as of today, and it is assumed that there will be no change in the number of units due to issuance of additional investment units, etc. through November 30, 2023. Distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) have been calculated based on the forecast total number of investment units issued and outstanding at the end of the fiscal period ending May 2023 and fiscal period ending November 2023 (349,075 units).
Assets under management	<ul style="list-style-type: none"> It is assumed that there are 9 properties comprising the 9 solar power plants, which EII owns as of today. It is assumed that there will be no change (acquisition of new assets or sale of already acquired assets, etc.) in the assets under management through November 30, 2023. In practice, this assumption may vary due to such events as acquisition of new assets other than already acquired ones or sale of already acquired assets.
Operating revenue	<ul style="list-style-type: none"> The rental business revenue from the already acquired assets is calculated on the basis of the base rent indicated in the lease agreements for solar power generation facilities effective as of today (the “lease agreements”), which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses (including but not limited to taxes and dues, compensation for O&M providers and compensation for operators; the same shall apply hereinafter) from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 1) calculated by a third party based on the annual hourly solar radiation database or other data compiled by New Energy and Industrial Technology Development Organization or other sources. While the rent under the lease agreements consists of base rent and performance-linked rent, the rental business revenue of the already acquired assets excluding Nagasaki Kinkai Solar Power Plant, Matsusaka Solar Power Plant, Shinshiro Solar Power Plant and Monbetsu Solar Power Plant is calculated based on base rent only, assuming that no performance-linked rent accrues. On the other hand, for Nagasaki Kinkai Solar Power Plant, Matsusaka Solar Power Plant and Shinshiro Solar Power Plant, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 2) x 90%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the assumed revenue from electricity sales equivalent to the forecast power generation (P50) x 90% to 100%; and for Monbetsu Solar Power Plant, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 3) x 70%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the assumed revenue from electricity sales equivalent to the forecast power generation (P50) x 70% to 100%. (Note 1) “Forecast power generation (P50)” refers to the power generation output calculated by the producer of technical reports or other experts, as a figure of an exceedance probability P (percentile) 50 (a numerical value deemed achievable with a 50% probability). The same shall apply hereinafter. “Assumed revenue from electricity sales based on forecast power generation (P50)” refers to the assumed revenue from electricity sales calculated by multiplying the relevant power generation output by the tariff. (Note 2) For Nagasaki Kinkai Solar Power Plant, the forecast power generation assumes the figure indicated in the “Power Plant Diagnosis Report” prepared by Mitsui Chemicals, Inc. as the figure calculated by reflecting power curtailment in Kyushu Electric Power’s operation area to the relevant forecast power generation (P50), and is different from each of the figures indicated in the “estimated annual power generation.” The same shall apply hereinafter. (Note 3) For Monbetsu Solar Power Plant, the forecast power generation assumes the figure indicated in the “Analysis Report on Power Curtailment in Solar Power Generation Business in Hokkaido Area” prepared by Mizuho Research & Technologies, Ltd. as the figure calculated by reflecting power curtailment in Hokkaido Electric Power’s operation area to the relevant forecast power generation (P50), and is different from each of the figures indicated in the “estimated annual power generation.” The same shall apply hereinafter. EII assumes that operating revenue comes from rental business revenue from the already acquired assets, not intending to sell such assets. For rental business revenue, EII assumes that there are no delinquencies or non-payments of rent.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> Among the rental business expenses of the already acquired assets, which are the principal operating expenses, expenses other than depreciation are calculated based on historical data or figures obtained from quotes to subcontractors or other data, and by reflecting variable factors of expenses. Property taxes are expected to be 201 million yen for the fiscal period ending May 2023 and 201 million yen for the fiscal period ending November 2023. Depreciation is calculated by the straight-line method including certain ancillary expenses, and expected to be 1,326 million yen for the fiscal period ending May 2023 and 1,327 million yen for the fiscal period ending November 2023.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are expected to be 215 million yen for the fiscal period ending May 2023 and 231 million yen for the fiscal period ending November 2023.
Borrowings	<ul style="list-style-type: none"> Total interest-bearing debt is assumed to be 37,648 million yen at the end of the fiscal period ending May 2023 and 39,801 million yen at the end of the fiscal period ending November 2023. LTV is expected to be around 56.7% at the end of the fiscal period ending May 2023 and around 58.4% at the end of the fiscal period ending November 2023. The ratio of interest-bearing debt to total assets (LTV) is calculated by using the following formula: Ratio of interest-bearing debt to total assets (LTV) = Total interest-bearing debt / total assets × 100
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the full amount of profit will be distributed based on the cash distribution policy set forth in EII's Articles of Incorporation. There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may vary due to various factors including fluctuations of rent revenue due to change in assets under management, change in lessees and change in the lease agreements, or unpredicted repairs and maintenance.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated based on the cash distribution policy set forth in EII's Articles of Incorporation, to the extent of the amount stipulated by laws and regulations (including the rules defined by The Investment Trusts Association, Japan). EII has the policy of distributing cash in excess of earnings (refund of investment) in every calculation period as a rule, as far as it does not negatively affect the financial state of EII after reserving cash and deposits EII regards as appropriate and taking the arranged loan facilities into account, in order to avoid any impact on the long-term repair plan and meet demand for funds (for new acquisition of investment assets, capital expenditure required for maintenance and improvement of properties held, working capital of EII, payment of loans, distributions of cash, etc.), given the amount of capital expenditure for each calculation period assumed based on the long-term repair plan. Distribution per unit (including distribution in excess of earnings) for the fiscal period ending May 2023 and fiscal period ending November 2023 is projected to be at the level of around 3,000 yen, given the rental business revenue generated from the portfolio, the rental business expenses pertaining to the portfolio, the interest expenses for borrowings and other borrowing related expenses, etc. Of the amount, distribution in excess of earnings per unit is assumed to be 1,712 yen for the fiscal period ending May 2023 and 1,417 yen for the fiscal period ending November 2023. However, EII may not make cash distributions in excess of earnings (refund of investment), or may restrict them under the amounts mentioned earlier, upon consideration of other options, such as repair and capital expenditures in the case of the total depreciation, repayment of borrowings, appropriation to funds for the acquisition of new properties, and the acquisition of treasury investment units, by comprehensively considering the economic environment, the market environment relating to the renewable energy power generation businesses, the financial positions of EII, and other circumstances. Cash distributions in excess of earnings (refund of investment) involve a decrease in cash on hand, and thus if capital expenditures beyond the expectations of EII are required due to any sudden events or other causes, there is a possibility of a shortage of cash on hand or a restriction on the flexible acquisition of properties in terms of funds. In addition, in the case of cash distributions in excess of earnings (refund of investment), the amount of such distribution will be deducted from the unitholders' capital or the capital surplus. As described in the column "Operating expenses" above, depreciation is calculated by the straight-line method including certain ancillary expenses, and expected to be 1,326 million yen for the fiscal period ending May 2023 and 1,327 million yen for the fiscal period ending November 2023. For the fiscal period ending May 2023 and fiscal period ending November 2023, EII anticipates no distribution in excess of earnings (reserve for temporary difference adjustments) as calculation is made on the assumption that there will be no inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes related to the asset retirement obligations, etc. and the items of deduction from net assets related to the changes in deferred hedge gains (losses).
Other	<ul style="list-style-type: none"> It is assumed that there will be no revision that will impact the aforementioned forecast figures to legislation, taxation, accounting standards, listing regulations of the Tokyo Stock Exchange and rules and requirements of the Investment Trusts Association, Japan, etc. It is assumed that no unforeseeable significant changes will occur in the general economic trends, conditions in the solar power generation facility market and the real estate market.

2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2022)	Current fiscal period (as of November 30, 2022)
Assets		
Current assets		
Cash and deposits	*1 4,044,219	*1 4,825,039
Cash and deposits in trust	*1 433,876	*1 470,252
Operating accounts receivable	*1 1,455,388	*1 877,926
Prepaid expenses	134,164	165,107
Consumption taxes receivable	300,110	-
Other	0	660
Total current assets	6,367,758	6,338,986
Non-current assets		
Property, plant and equipment		
Machinery and equipment	18,340,036	18,341,417
Accumulated depreciation	(2,787,217)	(3,220,747)
Machinery and equipment, net	*1 15,552,819	*1 15,120,670
Buildings in trust	24,381	24,381
Accumulated depreciation	(170)	(512)
Buildings in trust, net	*1 24,211	*1 23,869
Machinery and equipment in trust	41,499,173	41,499,173
Accumulated depreciation	(2,381,280)	(3,272,639)
Machinery and equipment in trust, net	*1 39,117,893	*1 38,226,534
Land in trust	*1 5,836,794	*1 5,837,183
Construction in progress in trust	*1 2,310	*1 2,310
Total property, plant and equipment	60,534,028	59,210,567
Intangible assets		
Leasehold interests in land	*1 1,477,452	*1 1,477,452
Trademark right	531	490
Software	5,165	4,025
Total intangible assets	1,483,148	1,481,967
Investments and other assets		
Leasehold and guarantee deposits	75,000	75,000
Long-term prepaid expenses	797,228	915,955
Derivatives	-	19,001
Deferred tax assets	8	9
Total investments and other assets	872,236	1,009,966
Total non-current assets	62,889,413	61,702,501
Total assets	69,257,172	68,041,487
Liabilities		
Current liabilities		
Short-term loans payable	*1, *2 7,000,000	*1, *2 7,000,000
Current portion of long-term loans payable	*1 1,980,796	*1 1,961,701
Operating accounts payable	66,835	164,403
Accounts payable - other	151,557	147,932
Consumption taxes payable	-	249,614
Income taxes payable	771	790
Accrued expenses	11,320	970
Other	2,617	553
Total current liabilities	9,213,897	9,525,965
Non-current liabilities		
Long-term loans payable	*1 30,648,524	*1 29,510,213
Asset retirement obligations	521,244	521,244
Derivative liabilities	234,388	19,510
Total non-current liabilities	31,404,156	30,050,967
Total liabilities	40,618,053	39,576,933

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2022)	Current fiscal period (as of November 30, 2022)
Net assets		
Unitholders' equity		
Unitholders' capital	29,799,607	29,799,607
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*4 (70,569)	*4 (312,828)
Other deduction from unitholders' capital	(1,711,095)	(1,905,530)
Total deduction from unitholders' capital	(1,781,665)	(2,218,358)
Unitholders' capital, net	28,017,941	27,581,248
Surplus		
Unappropriated retained earnings (undisposed loss)	855,565	883,815
Total surplus	855,565	883,815
Total unitholders' equity	28,873,507	28,465,064
Valuation and translation adjustments		
Deferred hedge gains (losses)	(234,388)	(509)
Total valuation and translation adjustments	(234,388)	(509)
Total net assets	*3 28,639,118	*3 28,464,554
Total liabilities and net assets	69,257,172	68,041,487

(2) Statements of Income

(Unit: thousand yen)

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Operating revenue		
Rent income from renewable energy power generation facilities	*1 2,784,752	*1 2,679,804
Total operating revenue	2,784,752	2,679,804
Operating expenses		
Rent expenses from renewable energy power generation facilities	*1 1,556,866	*1 1,623,990
Asset management fee	111,330	111,229
Asset custody and administration fees	37,831	34,744
Remuneration for directors	4,200	4,200
Other operating expenses	42,146	32,285
Total operating expenses	1,752,374	1,806,449
Operating income (loss)	1,032,377	873,354
Non-operating income		
Interest income	35	28
Interest on tax refund	743	51
Other	-	0
Total non-operating income	778	80
Non-operating expenses		
Interest expenses	143,719	184,031
Borrowing related expenses	33,147	39,355
Other	0	-
Total non-operating expenses	176,866	223,386
Ordinary income	856,289	650,048
Income (loss) before income taxes	856,289	650,048
Income taxes - current	776	795
Income taxes - deferred	12	(0)
Total income taxes	789	794
Net income (loss)	855,500	649,254
Retained earnings (deficit) brought forward	65	234,561
Unappropriated retained earnings (undisposed loss)	855,565	883,815

(3) Statements of Changes in Unitholders' Equity

Previous fiscal period (from December 1, 2021 to May 31, 2022)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholder's capital, net
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	29,799,607	(41,596)	(540,298)	(581,895)	29,217,711
Changes during period					
Distributions of surplus					
Distribution in excess of earnings from reserve for temporary difference adjustments		(28,973)		(28,973)	(28,973)
Other distribution in excess of earnings			(1,170,797)	(1,170,797)	(1,170,797)
Net income					
Net changes in items other than unitholders' equity					
Total changes during period	-	(28,973)	(1,170,797)	(1,199,770)	(1,199,770)
Balance at end of period	*1 29,799,607	(70,569)	(1,711,095)	(1,781,665)	28,017,941

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred hedge gains (losses)	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	894,744	894,744	30,112,456	-	-	30,112,456
Change during current period						
Distributions of surplus	(894,679)	(894,679)	(894,679)			(894,679)
Distribution in excess of earnings from reserve for temporary difference adjustments			(28,973)			(28,973)
Other distribution in excess of earnings			(1,170,797)			(1,170,797)
Net income	855,500	855,500	855,500			855,500
Net changes in items other than unitholders' equity				(234,388)	(234,388)	(234,388)
Total changes during period	(39,178)	(39,178)	(1,238,949)	(234,388)	(234,388)	(1,473,337)
Balance at end of period	855,565	855,565	28,873,507	(234,388)	(234,388)	28,639,118

Current fiscal period (from June 1, 2022 to November 30, 2022)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholder's capital, net
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of period	29,799,607	(70,569)	(1,711,095)	(1,781,665)	28,017,941
Changes during period					
Distributions of surplus					
Reversal of reserve for temporary difference adjustment		4,537		4,537	4,537
Distribution in excess of earnings from reserve for temporary difference adjustments		(246,796)		(246,796)	(246,796)
Other distribution in excess of earnings			(194,434)	(194,434)	(194,434)
Net income					
Net changes in items other than unitholders' equity					
Total changes during period	-	(242,258)	(194,434)	(436,692)	(436,692)
Balance at end of period	*1 29,799,607	(312,828)	(1,905,530)	(2,218,358)	27,581,248

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred hedge gains (losses)	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	855,565	855,565	28,873,507	(234,388)	(234,388)	28,639,118
Changes during period						
Distributions of surplus	(616,466)	(616,466)	(616,466)			(616,466)
Reversal of reserve for temporary difference adjustment	(4,537)	(4,537)	-			-
Distribution in excess of earnings from reserve for temporary difference adjustments			(246,796)			(246,796)
Other distribution in excess of earnings			(194,434)			(194,434)
Net income	649,254	649,254	649,254			649,254
Net changes in items other than unitholders' equity				233,879	233,879	233,879
Total changes during period	28,249	28,249	(408,443)	233,879	233,879	(174,563)
Balance at end of period	883,815	883,815	28,465,064	(509)	(509)	28,464,554

(4) Statements of Cash Distributions

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
I. Unappropriated retained earnings	855,565,888 yen	883,815,685 yen
II. Addition of distribution in excess of earnings	441,230,800 yen	397,596,425 yen
Of which, reserve for temporary difference adjustments	246,796,025 yen	43,983,450 yen
Of which, other deduction from unitholders' capital	194,434,775 yen	353,612,975 yen
III. Inclusion in unitholders' capital	4,537,975 yen	233,531,175 yen
Of which, reversal of reserve for temporary difference adjustments	4,537,975 yen	233,531,175 yen
IV. Distribution amount	1,057,697,250 yen	1,047,225,000 yen
(Distribution amount per unit)	(3,030 yen)	(3,000 yen)
Of which, distribution of earnings	616,466,450 yen	649,628,575 yen
(Of which, distribution of earnings per unit)	(1,766 yen)	(1,861 yen)
Of which, reserve for temporary difference adjustments	246,796,025 yen	43,983,450 yen
(Of which, distribution in excess of earnings per unit (Related to reserve for temporary difference adjustments))	(707 yen)	(126 yen)
Of which, other distribution in excess of earnings	194,434,775 yen	353,612,975 yen
(Of which, distribution in excess of earnings per unit (Related to other distribution in excess of earnings))	(557 yen)	(1,013 yen)
V. Retained earnings brought forward	234,561,463 yen	655,935 yen

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Method for calculating distribution amount	<p>Pursuant to Article 47-1 of the Articles of Incorporation of EII, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15-1 of the Act on Special Measures Concerning Taxation. Based on such policy, for distribution of earnings (excluding distribution in excess of earnings), EII decided to pay out 616,466,450 yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act after deducting the reversal of reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations), excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings.</p> <p>In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations) and the items of deduction from net assets (as defined in Article 2-2-30-b of the Regulations on Calculations of Investment Corporations), EII decided to conduct distribution in excess of earnings at the amount determined by EII as the amount equivalent to the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes and the items of deduction from net assets, based on Article 47-2 of its Articles of Incorporation. For the fiscal period, EII decided to distribute 246,796,025 yen, which is the amount equivalent to the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes related to the asset retirement obligations, etc. and the items of deduction from net assets related to the changes during the period in deferred hedge losses (246,820,717 yen) and calculated by excluding the fraction amount that makes the distribution in excess of earnings per unit of less than 1 yen, as distribution related to the reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations). In addition to that, EII decided to distribute 194,434,775 yen as distribution in excess of earnings that corresponds to refund of investment, which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.</p> <p>As a result of these, the distribution amount for the fiscal period was 1,057,697,250 yen, and distribution per unit came to 3,030 yen (1,766 yen as distribution of earnings per unit and 1,264 yen as distribution in excess of earnings per unit).</p>	<p>Pursuant to Article 47-1 of the Articles of Incorporation of EII, the distribution amount shall be in excess of an amount equivalent to 90% of the “distributable income amount” as stipulated in Article 67-15-1 of the Act on Special Measures Concerning Taxation. Based on such policy, for distribution of earnings (excluding distribution in excess of earnings), EII decided to pay out 649,628,575 yen, which is almost the full amount of the amount of earnings as designated in Article 136-1 of the Investment Trusts Act after deducting the reversal of reserve for temporary difference adjustments (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations), excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings.</p> <p>In addition, taking into account the impact on cash distributions of the inconsistency between excess of earnings for accounting purposes and excess of earnings for tax purposes (as defined in Article 2-2-30-a of the Regulations on Calculations of Investment Corporations), EII decided to conduct distribution in excess of earnings at the amount determined by EII as the amount equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes, based on Article 47-2 of its Articles of Incorporation. For the current fiscal period, EII decided to distribute 43,983,450 yen, which is equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes related to operating accounts receivable and asset retirement obligations, etc. (44,166,283 yen) and calculated by excluding the fraction amount that makes the distribution in excess of earnings per unit of less than 1 yen, as distribution related to the reserve for temporary difference adjustment (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations). In addition to that, EII decided to distribute 353,612,975 yen as distribution in excess of earnings that corresponds to refund of investment, which falls under the category of a reduction in unitholders’ paid-in capital under tax laws.</p> <p>As a result of these, the distribution amount for the current fiscal period was 1,047,225,000 yen, and distribution per unit came to 3,000 yen (1,861 yen as distribution of earnings per unit and 1,139 yen as distribution in excess of earnings per unit).</p>

(5) Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Cash flows from operating activities		
Income (loss) before income taxes	856,289	650,048
Depreciation	1,266,440	1,325,231
Interest income	(35)	(28)
Interest expenses	143,719	184,031
Decrease (Increase) in operating accounts receivable	(825,365)	577,462
Decrease (Increase) in consumption taxes receivable	3,014,644	300,110
Decrease (Increase) in prepaid expenses	(41,830)	(30,943)
Decrease (Increase) in long-term prepaid expenses	(11,076)	(118,727)
Increase (Decrease) in operating accounts payable	(126,637)	97,568
Increase (Decrease) in accounts payable – other	7,029	(3,201)
Increase (Decrease) in consumption taxes payable	-	249,614
Other	3,241	(1,543)
Subtotal	4,286,418	3,229,622
Interest received	35	28
Interest expenses paid	(133,141)	(194,381)
Income taxes paid	(1,035)	(775)
Cash flows from operating activities	4,152,277	3,034,493
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,085)	(1,381)
Purchase of property, plant and equipment in trust	(6,803,421)	(389)
Cash flows from investing activities	(6,807,507)	(1,770)
Cash flows from financing activities		
Proceeds from short-term loans payable	7,000,000	7,000,000
Repayments of short-term loans payable	-	(7,000,000)
Repayments of long-term loans payable	(4,214,389)	(1,157,406)
Dividends paid	(2,087,464)	(1,058,120)
Cash flows from financing activities	698,146	(2,215,526)
Net increase (decrease) in cash and cash equivalents	(1,957,082)	817,196
Balance of cash and cash equivalents at beginning of period	6,435,178	4,478,095
Balance of cash and cash equivalents at end of period	*1 4,478,095	*1 5,295,291

(6) Notes to Going Concern Assumption
Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment The straight-line method is adopted. The useful lives of major categories of property, plant and equipment are as follows:</p> <table> <tr> <td>Machinery and equipment</td><td>160 to 291 months</td></tr> <tr> <td>Buildings in trust</td><td>432 months</td></tr> <tr> <td>Machinery and equipment in trust</td><td>275 to 280 months</td></tr> </table> <p>(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows:</p> <table> <tr> <td>Trademark right</td><td>10 years</td></tr> <tr> <td>Software</td><td>5 years</td></tr> </table> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Machinery and equipment	160 to 291 months	Buildings in trust	432 months	Machinery and equipment in trust	275 to 280 months	Trademark right	10 years	Software	5 years
Machinery and equipment	160 to 291 months										
Buildings in trust	432 months										
Machinery and equipment in trust	275 to 280 months										
Trademark right	10 years										
Software	5 years										
2. Accounting for deferred assets	<p>Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they are paid.</p>										
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes, etc. With respect to property taxes, city planning taxes and depreciable asset taxes, etc. on the owned renewable energy power generation facilities, EII uses the method of charging the corresponding amounts of assessed taxes to the relevant calculation period as rental expenses. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by EII in accordance with the acquisition of renewable energy power generation facilities are not expensed but capitalized in the acquisition costs of the relevant renewable energy power generation facilities. There is no amount equivalent to property taxes, etc. capitalized in the acquisition costs of renewable energy power generation facilities. in the fiscal period under review.</p>										
4. Range of funds (cash and cash equivalents) on the statements of cash flows	<p>The funds (cash and cash equivalents) on the statements of cash flows consist of cash on hand and deposits in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</p>										
5. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. Special accounting is applied for interest rate swap transactions that satisfy the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Hedged items Interest rates on borrowings</p> <p>(3) Hedging policy EII conducts derivative transactions to hedge the risks set forth in its Articles of Incorporation based on the risk management regulations.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative changes in the cash flows of the hedged items and the cumulative changes in the cash flows of the hedging instruments, and verifying the ratio of the amount of changes in the two. However, assessment of the effectiveness is omitted for interest rate swap transactions that satisfy the requirements for special accounting.</p>										
6. Other matters serving as the basis for preparation of financial statements	<p>Accounting concerning trust beneficiary interests whose trust property is real estate, etc. As for the trust beneficiary interests whose trust property is renewable energy power generation facilities owned by EII, all assets and liabilities accounts in the trust property and all revenue and expense accounts that occurred for the trust property are recorded in the corresponding account titles of the balance sheet and statements of income. Of the trust property recorded in the said account titles, the following important account titles are listed separately on the balance sheet.</p> <ol style="list-style-type: none"> 1) Cash and deposits in trust 2) Buildings in trust; Machinery and equipment in trust; Land in trust; Construction in progress in trust 										

(Additional information)

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

Previous fiscal period (from December 1, 2021 to May 31, 2022)

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Reserve for temporary difference adjustment
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	12,566
Deferred hedge gains (losses)	Occurrence of loss on valuation of interest rate swaps	234,229
Total		246,796

2. Reasons for occurrence, assets and amount of reversal

(Unit: thousand yen)

Subject asset	Reason for reversal	Reversal of reserve for temporary difference adjustments
Machinery and equipment	Completion of repair work	4,537

3. Specific method of reversal

(1) 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.

(2) Deferred hedge gains (losses)

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

Current fiscal period (from June 1, 2022 to November 30, 2022)

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Reserve for temporary difference adjustment
Operating accounts receivable	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding unrecorded operating accounts receivable	31,416
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	12,566
Total		43,983

2. Reasons for occurrence, assets and amount of reversal

(Unit: thousand yen)

Subject asset	Reason for reversal	Reversal of reserve for temporary difference adjustments
Deferred hedge gains (losses)	Fluctuation in fair value of derivative transactions	233,531

3. Specific method of reversal

(1) Operating accounts receivable

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

(2) Machinery and equipment

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

(3) Deferred hedge gains (losses)

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

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2022)	Current fiscal period (as of November 30, 2022)
Cash and deposits	4,034,790	4,821,296
Cash and deposits in trust	433,876	470,252
Operating accounts receivable	1,455,388	877,926
Machinery and equipment	15,552,819	15,120,670
Buildings in trust	24,211	23,869
Machinery and equipment in trust	39,117,893	38,226,534
Land in trust	5,836,794	5,837,183
Construction in progress in trust	2,310	2,310
Leasehold interests in land	1,477,452	1,477,452
Total	67,935,536	66,857,495

Secured liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2022)	Current fiscal period (as of November 30, 2022)
Short-term loans payable	7,000,000	7,000,000
Current portion of long-term loans payable	1,980,796	1,961,701
Long-term loans payable	30,648,524	29,510,213
Total	39,629,320	38,471,914

*2 Commitment line agreement

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

(Unit: thousand yen)

	Previous fiscal period (as of May 31, 2022)	Current fiscal period (as of November 30, 2022)
Total amount of commitment line agreement	7,000,000	7,000,000
Balance of borrowings	7,000,000	7,000,000
Net	-	-

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

Previous fiscal period
(as of May 31, 2022)

Current fiscal period
(as of November 30, 2022)

50,000 thousand yen

50,000 thousand yen

*4. Reserve for temporary difference adjustment

Previous fiscal period (from December 1, 2021 to May 31, 2022)

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, etc.	70,569	41,596	28,973	-	70,569	-

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 June 1, 2022 to November 30, 2022)

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	78,598	70,569	12,566	(4,537)	78,598	Completion of repair work
Deferred hedge gains (losses)	Occurrence of loss on valuation of interest rate swaps	234,229	-	234,229	-	234,229	-
Total		312,828	70,569	246,796	(4,537)	312,828	-

2. Specific method of reversal

(1) 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.

(2) Deferred hedge gains (losses)

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

(Notes to Statements of Income)

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

(Unit: thousand yen)

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
A. Operating revenue from the rental business of renewable energy power generation facilities		
Rent income from renewable energy power generation facilities		
(Base rent)	2,259,783	2,398,371
(Performance-linked rent)	236,567	266,722
(Incidental income)	288,401	14,710
Total revenue from the rental business of renewable energy power generation facilities	2,784,752	2,679,804
B. Operating expenses from the rental business of renewable energy power generation facilities		
Rent expenses from renewable energy power generation facilities		
(Taxes and dues)	204,611	200,245
(Insurance expenses)	20,509	27,983
(Repair expenses)	10,522	16,696
(Depreciation)	1,266,440	1,325,231
(Rent expenses on land and buildings)	49,065	49,051
(Trust fee)	3,182	3,999
(Other expenses)	2,534	782
Total expenses from the rental business of renewable energy power generation facilities	1,556,866	1,623,990
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	1,227,886	1,055,813

(Notes to Statements of Changes in Unitholders' Equity)

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
*1. Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	349,075 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, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Cash and deposits	4,044,219	4,825,039
Cash and deposits in trust	433,876	470,252
Cash and cash equivalents	4,478,095	5,295,291

(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 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 extending borrowing periods relatively as well as 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 May 31, 2022). Notes are omitted for "Cash and deposits," "Cash and deposits in trust," "Operating accounts receivable," and "Short-term loans payable" as these are settled in cash and within a short period of time and the fair value is thus close to the book value. Those with insignificant amounts are also omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Current portion of long-term loans payable	1,980,796	1,984,111	3,315
(2) Long-term loans payable	30,648,524	30,693,101	44,577
Total liabilities	32,629,320	32,677,213	47,893
(3) Derivative transactions	(234,388)	(234,388)	-

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

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

With respect to long-term loans payable at variable interest rates, as they are borrowed on the condition that the interest rates are renewed 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.

(3) Derivative transactions

Please refer to the “Notes to Derivative Transactions” below.

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts for the current fiscal period (as of November 30, 2022). Notes are omitted for “Cash and deposits,” “Cash and deposits in trust,” “Operating accounts receivable,” and “Short-term loans payable” as these are settled in cash and within a short period of time and the fair value is thus close to the book value. Those with insignificant amounts are also omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Current portion of long-term loans payable	1,961,701	1,949,869	(11,831)
(2) Long-term loans payable	29,510,213	29,327,173	(183,039)
Total liabilities	31,471,914	31,277,043	(194,870)
(3) Derivative transactions	(509)	(509)	-

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

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

With respect to long-term loans payable at variable interest rates, as they are borrowed on the condition that the interest rates are renewed 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.

(3) Derivative transactions

Please refer to the “Notes to Derivative Transactions” below.

(Note 2) Scheduled repayment amount of long-term loans payables after the closing date (May 31, 2022)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Current portion of long-term loans payable	1,980,796	-	-	-	-	-
(2) Long-term loans payable	-	1,965,376	1,994,059	2,004,105	2,019,130	22,665,854
Total	1,980,796	1,965,376	1,994,059	2,004,105	2,019,130	22,665,854

Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2022)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Current portion of long-term loans payable	1,961,701	-	-	-	-	-
(2) Long-term loans payable	-	1,988,582	1,994,661	2,010,051	2,031,621	21,485,298
Total	1,961,701	1,988,582	1,994,661	2,010,051	2,031,621	21,485,298

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

Previous fiscal period (as of May 31, 2022) and current fiscal period (as of November 30, 2022)

Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of May 31, 2022)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Principle accounting method	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	14,681,993	13,790,635	(234,388)	Depends on the value quoted by financial institutions of account, etc.
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	16,315,860	15,325,462	(Note)	-
Total			30,997,853	29,116,097	(234,388)	-

(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) (1) Current portion of long-term loans payable and (2) Long-term loans payable in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

Current fiscal period (as of November 30, 2022)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Principle accounting method	Interest rate swap transactions Receivable variable; Payable fixed	Long-term borrowings	14,161,161	13,278,395	(509)	Depends on the value quoted by financial institutions of account, etc.
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term borrowings	15,737,157	14,756,306	(Note)	-
Total			29,898,318	28,034,702	(509)	-

(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) (1) Current portion of long-term loans payable and (2) Long-term loans payable in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

(Notes to Retirement Benefits)

Previous fiscal period (as of May 31, 2022) and current fiscal period (as of November 30, 2022)

Not applicable.

(Notes to Tax Effect Accounting)

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

(Unit: thousand yen)

	Previous fiscal period May 31, 2022	Current fiscal period November 30, 2022
Deferred tax assets		
Exclusion of business tax from deductible expenses	8	9
Asset retirement obligations	167,894	163,983
Deferred hedge gains (losses)	73,738	160
Operating accounts receivable	-	9,983
Subtotal of deferred tax assets	241,641	174,136
Valuation allowance	(77,649)	(38,771)
Total deferred tax assets	163,991	135,364
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(163,983)	(135,355)
Total deferred tax liabilities	(163,983)	(135,355)
Deferred tax assets, net	8	9

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

	Previous fiscal period May 31, 2022	Current fiscal period November 30, 2022
Statutory tax rate	31.46%	31.46%
(Adjustment)		
Deductible cash distributions	(31.72%)	(33.57%)
Amortization of asset retirement obligations	0.46%	0.60%
Unrecorded operating accounts receivable	-	1.54%
Other	(0.11%)	0.09%
Effective income tax rate after applying tax effect accounting	0.09%	0.12%

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

Previous fiscal period (as of May 31, 2022) and current fiscal period (as of November 30, 2022)

Not applicable.

(Notes to Transactions with Related Parties)

1. Parent company and major corporate unitholders

Previous fiscal period (from December 1, 2021 to May 31, 2022) and current fiscal period (from June 1, 2022 to November 30, 2022)

Not applicable.

2. Affiliates, etc.

Previous fiscal period (from December 1, 2021 to May 31, 2022) and current fiscal period (from June 1, 2022 to November 30, 2022)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from December 1, 2021 to May 31, 2022) and current fiscal period (from June 1, 2022 to November 30, 2022)

Not applicable.

4. Officers and major individual unitholders

Previous fiscal period (from December 1, 2021 to May 31, 2022)

Attribute	Name	Address	Share capital or investments in capital (thousand yen)	Business or occupation	Percentage of investment units owned	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2) (Note 3)	Account title	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director or close relative thereof	Keiichi Matsuzuka	-	-	Executive Officer of EII, and Representative Director, President and CEO of Enex Asset Management Co., Ltd.	-	Executive Officer of EII, and Representative Director, President and CEO of Enex Asset Management Co., Ltd.	Asset management company for EII	Payment of asset management fee to Enex Asset Management Co., Ltd. (Note 1)	177,870	Accounts payable - other	122,463

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

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

(Note 3) The asset management fee includes the property acquisition fee portion (66,540 thousand yen) that is included in the book value of the specified asset.

Current fiscal period (from June 1, 2022 to November 30, 2022)

Attribute	Name	Address	Share capital or investments in capital (thousand yen)	Business or occupation	Percentage of investment units owned	Description of relationship		Description of transaction	Transaction amount (thousand yen) (Note 2) (Note 3)	Account title	Balance at end of period (thousand yen) (Note 2)
						Concurrent holding of positions, etc. by directors	Business relationship				
Director or close relative thereof	Keiichi Matsuzuka	-	-	Executive Officer of EII, and Representative Director, President and CEO of Enex Asset Management Co., Ltd.	-	Executive Officer of EII, and Representative Director, President and CEO of Enex Asset Management Co., Ltd.	Asset management company for EII	Payment of asset management fee to Enex Asset Management Co., Ltd. (Note 1)	111,229	Accounts payable - other	122,352

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

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

(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, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Balance at beginning of period	521,244	521,244
Increase due to purchase of property, plant and equipment	-	-
Adjustment amount over time	-	-
Decrease due to performance of asset retirement obligations	-	-
Balance at end of period	521,244	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, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Book value (Note 2)		
Balance at beginning of period	56,468,103	62,009,170
Change during the period (Note 3)	5,541,066	(1,323,460)
Balance at end of period	62,009,170	60,685,709
Valuation at end of period (Note 4)	63,139,000	61,938,500

(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. The book value does not include construction in progress in trust.

(Note 3) Of the amount of change during the previous fiscal period, the amount of increase is primarily attributable to acquisition of Monbetsu Solar Power Plant (6,803,421 thousand yen), and the amount of decrease is primarily attributable to depreciation. The amount of decrease for the current fiscal period 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 58,842,000 thousand yen to 67,436,000 thousand yen for previous fiscal period; from 57,047,000 thousand yen to 66,830,000 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 Revenue Recognition)

Not applicable.

(Notes to Segment Information)

(Segment information)

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

(Related information)

Previous fiscal period (from December 1, 2021 to May 31, 2022)

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	255,152	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	27,157	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	34,985	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	17,381	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	392,055	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	44,247	Rental business of renewable energy power generation facilities
Godo Kaisha TSMH1	1,739,079	Rental business of renewable energy power generation facilities
Shinshiro Solar Power Generation Godo Kaisha	31,179	Rental business of renewable energy power generation facilities
Monbetsu Solar Power Generation Godo Kaisha	172,143	Rental business of renewable energy power generation facilities

Current fiscal period (from June 1, 2022 to November 30, 2022)

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	237,511	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	31,669	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	38,429	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	18,093	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	379,346	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	49,826	Rental business of renewable energy power generation facilities
Godo Kaisha TSMH1	1,591,446	Rental business of renewable energy power generation facilities
Shinshiro Solar Power Generation Godo Kaisha	29,289	Rental business of renewable energy power generation facilities
Monbetsu Solar Power Generation Godo Kaisha	289,480	Rental business of renewable energy power generation facilities

(Notes to Per Unit Information)

	Previous fiscal period From December 1, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Net assets per unit	82,042 yen	81,542 yen
Net income per unit	2,450 yen	1,859 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, 2021 to May 31, 2022	Current fiscal period From June 1, 2022 to November 30, 2022
Net income (thousand yen)	855,500	649,254
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	855,500	649,254
Average number of investment units during the period (units)	349,075	349,075

(Notes to Significant Subsequent Events)

Not applicable.

(Omission of Disclosure)

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

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

Changes in unitholders' capital and the total number of investment units issued and outstanding since the establishment of EII up to date as of November 30, 2022, are as follows.

Date	Event	Unitholders' capital, net (million yen) (Note 1)		Total number of investment units issued and outstanding (units)		Remarks
		Change	Balance	Change	Balance	
August 3, 2018	Establishment upon private placement	100	100	1,000	1,000	(Note 2)
February 12, 2019	Capital increase through public offering	7,948	8,048	90,000	91,000	(Note 3)
March 13, 2019	Capital increase through third-party allotment	72	8,121	825	91,825	(Note 4)
February 21, 2020	Cash distributions in excess of earnings (Refund of investment)	(232)	7,889	-	91,825	(Note 5)
December 1, 2020	Capital increase through public offering	20,645	28,535	245,000	336,825	(Note 6)
December 23, 2020	Capital increase through third-party allotment	1,032	29,567	12,250	349,075	(Note 7)
February 19, 2021	Cash distributions in excess of earnings (Refund of investment)	(307)	29,259	-	349,075	(Note 8)
February 21, 2022	Cash distributions in excess of earnings (Refund of investment)	(1,170)	28,088	-	349,075	(Note 9)
August 19, 2022	Cash distributions in excess of earnings (Refund of investment)	(194)	27,894	-	349,075	(Note 10)

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

(Note 2) Upon establishment, EII issued investment units at the issue price of 100,000 yen per unit.

(Note 3) New investment units were issued through public offering at an issue price of 92,000 yen per unit (paid-in amount of 88,320 yen per unit) to fund acquisition of solar power generation facilities and for other purposes.

(Note 4) New investment units were issued through third-party allotment with a paid-in amount of 88,320 yen per unit to repay borrowings and partially fund future acquisition of specified assets.

(Note 5) At the board of directors' meeting held on January 10, 2020, EII resolved to conduct distribution in excess of earnings of 2,530 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 2nd fiscal period ended November 2019, and started payment of the distribution on February 21, 2020.

(Note 6) New investment units were issued through public offering at an issue price of 88,452 yen per unit (paid-in amount of 84,268 yen per unit) to fund acquisition of solar power generation facilities and for other purposes.

(Note 7) New investment units were issued through third-party allotment with a paid-in amount of 84,268 yen per unit for appropriation as cash on hand to partially repay borrowings and fully or partially fund future acquisition of specified assets or working capital.

(Note 8) At the board of directors' meeting held on January 14, 2021, EII resolved to conduct distribution in excess of earnings of 3,354 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 3rd fiscal period ended November 2020, and started payment of the distribution on February 19, 2021.

(Note 9) At the board of directors' meeting held on January 14, 2022, EII resolved to conduct distribution in excess of earnings of 3,354 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 4th fiscal period ended November 2021, and started payment of the distribution on February 21, 2022.

(Note 10) At the board of directors' meeting held on July 15, 2022, EII resolved to conduct distribution in excess of earnings of 557 yen per unit (refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws) as cash distribution for the 5th fiscal period ended May 2022, and started payment of the distribution on August 19, 2022.

3. Reference Information

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

I. Conditions of Investment

Asset type	Category of investment area (Note 1)	5th fiscal period (as of May 31, 2022)		6th fiscal period (as of November 30, 2022)	
		Total owned assets (million yen) (Note 2)	Ratio to total assets (%)	Total owned assets (million yen) (Note 2)	Ratio to total assets (%)
Renewable energy power generation facilities	Kanto region	12,761	18.4	12,405	18.2
	Chubu region	446	0.6	434	0.6
	Chugoku region	1,079	1.6	1,049	1.5
	Kyushu/Okinawa region	1,264	1.8	1,230	1.8
Subtotal		15,552	22.5	15,120	22.2
Leasehold interests in land	Kanto region	1,284	1.9	1,284	1.9
	Chubu region	36	0.1	36	0.1
	Chugoku region	84	0.1	84	0.1
	Kyushu/Okinawa region	72	0.1	72	0.1
Subtotal		1,477	2.1	1,477	2.2
Renewable energy power generation facilities in trust	Hokkaido/Tohoku region	5,309	7.7	5,192	7.6
	Chubu region	33,810	48.8	33,036	48.6
Subtotal		39,120	56.5	38,228	56.2
Real estate in trust	Hokkaido/Tohoku region	1,435	2.1	1,435	2.1
	Chubu region	4,425	6.4	4,425	6.5
Subtotal		5,861	8.5	5,861	8.6
Renewable energy power generation facilities, etc.	Hokkaido/Tohoku region	6,744	9.7	6,627	9.7
	Kanto region	14,045	20.3	13,690	20.1
	Chubu region	38,720	55.9	37,933	55.8
	Chugoku region	1,163	1.7	1,134	1.7
	Kyushu/Okinawa region	1,336	1.9	1,302	1.9
Subtotal		62,011	89.5	60,688	89.2
Deposits and other assets		7,245	10.5	7,353	10.8
Total assets (Note 3)		69,257	100.0	68,041	100.0

	Amount (million yen)	Ratio to total assets (%)	Amount (million yen)	Ratio to total assets (%)
Total liabilities (Note 3)	40,618	58.6	39,576	58.2
Total net assets (Note 3)	28,639	41.4	28,464	41.8
Total assets (Note 3)	69,257	100.0	68,041	100.0

(Note 1) "Regions" is defined as follows:

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

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

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

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

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

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

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

II. Investment Assets

1) Major Investment Securities

Not applicable.

2) Investment Properties

Not applicable.

3) Other Major Investment Assets

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

The following table provides a summary of the renewable energy power generation facilities, etc. owned by EII as of November 30, 2022.

Property No. (Note 1)	Category (Note 2)	Property name	Location (Note 3)	Acquisition date	Area (m ²) (Note 4)	Tariff (yen/kWh) (Note 5)	FIT term end (Note 6)
S-01	Solar power generation facilities	Takahagi Solar Power Plant	Hitachi-shi, Ibaraki	February 13, 2019	334,810	40	November 20, 2036
S-02	Solar power generation facilities	Chiyoda Kogen Solar Power Plant	Kitahiroshima-cho, Yamagata-gun, Hiroshima	February 13, 2019	41,215	40	November 12, 2034
S-03	Solar power generation facilities	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	February 13, 2019	25,476	36	January 26, 2036
S-04	Solar power generation facilities	JEN Kusu Solar Power Plant	Kusu-machi, Kusu-gun, Oita	February 13, 2019	22,044	40	September 30, 2033
S-05	Solar power generation facilities	Hokota Solar Power Plant	Hokota-shi, Ibaraki	February 13, 2019	281,930	36	July 17, 2037
S-06	Solar power generation facilities	Nagasaki Kinkai Solar Power Plant	Nagasaki-shi, Nagasaki	January 17, 2020	25,501	36	March 21, 2039
S-07	Solar power generation facilities	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	December 2, 2020	1,017,493	32	March 17, 2039
S-08	Solar power generation facilities	Shinshiro Solar Power Plant	Shinshiro-shi, Aichi	April 26, 2021	27,408	40	August 1, 2033
S-09	Solar power generation facilities	Monbetsu Solar Power Plant	Monbetsu-shi, Hokkaido	March 10, 2022	359,453	40	February 2, 2040

(Note 1) For “Property No.,” solar power generation facilities are classified as S and numbered as such. The same shall apply hereinafter.

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

(Note 3) “Location” is based on the description in the register of the land (one of the lands if there are multiple lands) where the solar power generation facility of the respective owned assets is installed. However, it is denoted only to the extent of the municipality level. The same shall apply hereinafter.

(Note 4) “Area” is based on the description in the register and may be different from the actual area. For the Takahagi Solar Power Plant, the area excludes part of the land where an overbridge is located and the land for which EII has obtained the right of use as an approach path. For the Chiyoda Kogen Solar Power Plant, the leasehold right and the servitude have been established to part of the adjacent land for such purposes as passing. The area includes the site area to which this leasehold right has been established, but excludes the area of the site to which the servitude has been established. For the Nagasaki Kinkai Solar Power Plant, the area excludes part of the land where power transmission equipment exists, the site for which EII has obtained the right of use as an approach path, and the land for which the servitude has been established for such purposes as installing and using buried cables. For the Matsusaka Solar Power Plant, the servitude has been established to part of the adjacent land and such for such purposes as passing as well as installing and using electric line and power transmission line facilities and the ownership of part of the adjacent land and such has been acquired for the same purposes, but such land is not included in the area.

(Note 5) “Tariff” indicates the officially certified price of electricity sale for the solar power generation facilities of respective owned assets (excluding the amount equivalent to the consumption tax and the local consumption tax).

(Note 6) “FIT term end” indicates the expiration date of the electricity purchase period for the solar power generation facilities of the respective owned assets.

Property No.	Property name	Power generation operator (Note 1)	Electricity utilities (Note 2)	Acquisition price (million yen) (Note 3)	Valuation at end of period (million yen) (Note 4)	Appraisal value of infrastructure assets, etc. (million yen) (Note 5) (upper: facilities) (lower: real estate)	Book value at end of the period (million yen) (Note 6)
S-01	Takahagi Solar Power Plant	Sunrise Megasolar Godo Kaisha	TEPCO Power Grid, Inc.	5,305	4,866	4,714	4,312
						152	224
S-02	Chiyoda Kogen Solar Power Plant	Daini Chiyoda Kogen Taiyoko Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	590	457	444	501
						13	22
S-03	JEN Hofu Solar Power Plant	Hofu Solar Power Generation Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	680	580	523	548
						57	61
S-04	JEN Kusu Solar Power Plant	Kusu Solar Power Generation Godo Kaisha	Kyushu Electric Power Transmission and Distribution Co., Inc.	324	243	235	262
						7	10
S-05	Hokota Solar Power Plant	SOLAR ENERGY Hokota Godo Kaisha	TEPCO Power Grid, Inc.	10,514	8,344	7,334	8,093
						1,010	1,059
S-06	Nagasaki Kinkai Solar Power Plant	Kitakyushu Solar Power Generation Godo Kaisha	Kyushu Electric Power Transmission and Distribution Co., Inc.	1,097	962	906	968
						56	61
S-07	Matsusaka Solar Power Plant	Godo Kaisha TSMH1	Chubu Electric Power Grid Co., Inc.	40,241	39,503	35,133	33,036
						4,370	4,425
S-08	Shinshiro Solar Power Plant	Shinshiro Solar Power Generation Godo Kaisha	Chubu Electric Power Grid Co., Inc.	465	429	400	434
						29	36
S-09	Monbetsu Solar Power Plant	Monbetsu Solar Power Generation Godo Kaisha	Hokkaido Electric Power Co., Inc.	6,654	6,551	5,052	5,192
						1,499	1,435
Total				65,870	61,938	54,743	53,349
						7,194	7,338

(Note 1) “Power generation operator” refers to a party who operates the business of generating electricity by using renewable energy power generation facilities, not limited to the power generation operators as set forth in Article 2-1-15 of the Electricity Business Act (Act No. 170 of 1964, as amended).

(Note 2) “Electricity utilities” refers to the electricity utilities as set forth in Article 2-4 of the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources (Act No. 108 of 2011, as amended).

(Note 3) “Acquisition price” refers to the transaction price in the sale and purchase agreement for power generation facilities (excluding various acquisition expenses, the settlement amount of the amount equivalent to property taxes and city planning taxes, consumption taxes, etc.).

- (Note 4) “Valuation at end of the period” indicates the median value (rounded down to the nearest million yen) calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the appraisal value (valuation including renewable energy power generation facilities, real estate, and the leasehold rights or the superficies rights of the real estate altogether as one) in the range shown in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC.
- (Note 5) For “Appraisal value of infrastructure assets, etc.,” the upper field indicates the assumed valuation (rounded down to the nearest million yen) of the renewable energy power generation facilities, calculated by deducting the real estate appraisal value calculated by Land Coordinating Research Inc. (the real estate appraiser for S-01 and S-02; the same shall apply hereinafter), Daiwa Real Estate Appraisal Co., Ltd. (the real estate appraiser for S-03 and S-04; the same shall apply hereinafter), The Tanizawa Sōgō Appraisal Co., Ltd. (the real estate appraiser for S-05; the same shall apply hereinafter), Japan Real Estate Institute (the real estate appraiser for S-06, S-07 and S-09; the same shall apply hereinafter) or CBRE K.K. (the real estate appraiser for S-08; the same shall apply hereinafter) from the valuation at end of the period indicated in (Note 4) above. The lower field indicates the amounts (rounded down to the nearest million yen) shown in the real estate appraisal reports prepared by Land Coordinating Research Inc., Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute or CBRE K.K. Real estate includes the superficies rights or leasehold rights of the relevant real estate.
- (Note 6) For “Book value at end of the period,” the upper field indicates the book value of the renewable energy power generation facilities as of the end of the period, and the lower field indicates the book value of real estate as of the end of the period, all rounded down to the nearest million yen. Real estate includes the superficies rights or leasehold rights of the relevant real estate.

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

The following table provides revenue and expenses of EII's individual renewable energy power generation facilities in the fiscal period under review (from June 1, 2022 to November 30, 2022).

(Unit: thousand yen)

Property No.	Entire portfolio	S-01	S-02	S-03	S-04
Property name		Takahagi Solar Power Plant	Chiyoda Kogen Solar Power Plant	JEN Hofu Solar Power Plant	JEN Kusu Solar Power Plant
Rent revenue - renewable energy power generation facilities					
Base rent	2,398,371	236,871	31,669	37,724	18,034
Performance-linked rent	266,722	639	-	704	59
Incidental income	14,710	-	-	-	-
Rent revenue - renewable energy power generation facilities (A)	2,679,804	237,511	31,669	38,429	18,093
Rent expenses - renewable energy power generation facilities					
Taxes and dues	200,245	18,378	2,953	3,195	1,596
(Of which, property taxes, etc.)	200,245	18,378	2,953	3,195	1,596
Sundry expenses	98,513	35,360	2,609	4,231	1,438
(Of which, insurance expenses)	27,983	1,633	509	282	616
(Of which, repair expenses)	16,696	13,653	330	-	-
(Of which, rent expenses on land and buildings)	49,051	19,974	1,770	3,948	822
(Of which, trust fee)	3,999	-	-	-	-
(Of which, other rent expenses)	782	100	-	-	-
Depreciation	1,325,231	126,827	14,750	15,095	11,235
(Of which, machinery and equipment)	433,530	126,827	14,750	15,095	11,235
(Of which, buildings in trust)	341	-	-	-	-
(Of which, machinery and equipment in trust)	891,359	-	-	-	-
Rent expenses - renewable energy power generation facilities (B)	1,623,990	180,567	20,313	22,522	14,270
Rent income (loss) from renewable energy power generation facilities (A-B)	1,055,813	56,943	11,356	15,907	3,823

Property No.	S-05	S-06	S-07	S-08	S-09
Property name	Hokota Solar Power Plant	Nagasaki Kinkai Solar Power Plant	Matsusaka Solar Power Plant	Shinshiro Solar Power Plant	Monbetsu Solar Power Plant
Rent revenue - renewable energy power generation facilities					
Base rent	378,245	44,197	1,434,460	25,655	191,510
Performance-linked rent	1,100	5,628	156,985	3,634	97,970
Incidental income	-	-	14,628	-	81
Rent revenue - renewable energy power generation facilities (A)	379,346	49,826	1,606,074	29,289	289,562
Rent expenses - renewable energy power generation facilities					
Taxes and dues	47,850	6,128	117,172	2,970	-
(Of which, property taxes, etc.)	47,850	6,128	117,172	2,970	-
Sundry expenses	22,013	3,150	22,047	2,940	4,720
(Of which, insurance expenses)	4,025	461	16,894	355	3,203
(Of which, repair expenses)	2,628	-	-	85	-
(Of which, rent expenses on land and buildings)	15,014	2,688	2,332	2,500	-
(Of which, trust fee)	-	-	2,499	-	1,500
(Of which, other rent expenses)	344	-	321	-	16
Depreciation	229,059	22,705	774,240	13,855	117,460
(Of which, machinery and equipment)	229,059	22,705	-	13,855	-
(Of which, buildings in trust)	-	-	-	-	341
(Of which, machinery and equipment in trust)	-	-	774,240	-	117,119
Rent expenses - renewable energy power generation facilities (B)	298,924	31,984	913,461	19,766	122,180
Rent income (loss) from renewable energy power generation facilities (A-B)	80,422	17,841	692,613	9,522	167,382

(2) Status of Capital Expenditures

1) Planned capital expenditures

The following table provides the main capital expenditures of the scheduled capital expenditure amounts associated with the renovation and other construction work currently planned to be implemented regarding the renewable energy power generation facilities owned by EII. In the following scheduled amounts, there may be amounts that result in being classified as accounting expenses in accordance with the construction work details and other factors.

Property No.	Property name	Location	Purpose	Scheduled period	Scheduled amount (thousand yen)		
					Total amount	Amount paid in the fiscal period under review	Total amount paid
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	Improvement work of communications facility used exclusively for output control	From January 2022 to May 2023	25,500	-	2,100

2) Capital expenditures during the fiscal period

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

Property No.	Property name	Location	Purpose	Period	Construction work amount (thousand yen)
S-08	Shinshiro Solar Power Plant	Shinshiro-shi, Aichi	Installation of output control terminals	From June 2022 to June 2022	1,381