

Summary of Financial Results for the Fiscal Period Ended November 2020 (Infrastructure Fund)

January 14, 2021

Infrastructure Fund Issuer:	Enex Infrastructure Investment Corporation	Listing Exchange:	Tokyo Stock Exchange
Securities Code:	9286	URL:	https://enexinfra.com/en
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Supplementary materials for financial results: Yes
 Financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Status of Management and Assets for the Fiscal Period Ended November 2020 (from December 1, 2019 to November 30, 2020)

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

(1) Management Status

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended Nov. 2020	1,570	25.0	316	(25.9)	221	(29.8)	219	(28.9)
Fiscal period ended Nov. 2019	1,257	-	427	-	315	-	308	-

	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. 2020	2,393	2.7	1.1	14.1
Fiscal period ended Nov. 2019	4,198	7.3	3.1	25.1

(Note 1) The operating period of Enex Infrastructure Investment Corporation (hereinafter “EII”) is one year from December 1 of each year to November 30 of the following year. The operating period in practice for the fiscal period ended November 2019 is 291 days from February 13, 2019, when the properties were acquired, to November 30, 2019.

(Note 2) The net income per unit for the fiscal period ended November 2019 is calculated by dividing net income by the day-weighted average number of investment units (73,594 units). In addition, the net income per unit is 3,367 yen when calculated using the day-average weighted number of investment units (91,745 units) with February 13, 2019, when asset management practically started, deemed as the beginning of the period.

(Note 3) The percentage figures for operating revenue, operating income, ordinary income and net income indicate the rate of period-on-period change. No rate of period-on-period change is indicated, however, for the fiscal period ended November 2019 as asset management practically started in the 2nd fiscal period (the fiscal period ended November 2019). The same shall apply hereinafter.

(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. 2020	2,393	219	3,607	331	6,000	550	100.0	2.7
Fiscal period ended Nov. 2019	3,250	298	2,730	250	5,980	549	96.6	3.6

(Note 1) The 2,730 yen in distribution in excess of earnings per unit for the fiscal period ended November 2019 comprises 200 yen in reserve for temporary difference adjustments and 2,530 yen in the other part of distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended November 2019 comprises 18 million yen in reserve for temporary difference adjustments and 232 million yen in refund of investment which falls under the category of a reduction in unitholders' paid-in capital under tax laws.

(Note 2) The 3,607 yen in distribution in excess of earnings per unit for the fiscal period ended November 2020 comprises 253 yen in

reserve for temporary difference adjustments and 3,354 yen in the other part of distribution in excess of earnings. The total distribution in excess of earnings for the fiscal period ended November 2020 comprises 23 million yen in reserve for temporary difference adjustments and 307 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 payout ratio is calculated using the following formula.

$\text{Payout ratio} = \text{total distribution (excluding distribution in excess of earnings)} / \text{net income} \times 100$

(Note 4) The payout ratio and the ratio of distribution to net assets for the fiscal period ended November 2019 are 102.5% and 3.8%, 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 2020 are 110.6% and 2.9%, 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.

$\text{Payout ratio} = (\text{distribution excluding distribution in excess of earnings} + \text{portion of reserve for temporary difference adjustments in distribution in excess of earnings}) / \text{net income} \times 100$

(Note 5) The ratio of reduced surplus for the fiscal period ended November 2019, etc. due to distribution in excess of earnings (refund of investment) is 0.029, and for the fiscal period ended November 2020 is 0.011.

(3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended Nov. 2020	19,140	8,090	42.3	88,110
Fiscal period ended Nov. 2019	20,096	8,420	41.9	91,697

(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. 2020	2,326	(1,140)	(1,305)	823
Fiscal period ended Nov. 2019	(549)	(17,716)	19,151	943

2. Forecast of Management Status for Fiscal Period Ending November 2021 (from December 1, 2020 to November 30, 2021)

(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
Interim period	2,301	192.3	622	298.1	365	235.5	364	237.1	-	-	-
Entire fiscal period	4,693	198.8	1,348	325.5	920	315.9	919	318.3	2,633	3,367	6,000

(Reference) Forecast net income per unit (forecast net income / forecast number of investment units at end of period)
(Entire fiscal period ending November 2021) 2,633 yen

* 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. 2020	91,825 units	Fiscal period ended Nov. 2019	91,825 units
2) Number of treasury units at end of period	Fiscal period ended Nov. 2020	0 units	Fiscal period ended Nov. 2019	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 33.

* 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 cash distributions and distributions in excess of earnings. For details of the assumptions underlying the forecast for the fiscal period ending November 2021 (from December 1, 2020 to November 30, 2021), please refer to “Assumptions of Forecast of Management Status for the Interim Period (from December 1, 2020 to May 31, 2021) of the Fiscal Period Ending November 2021 and the Entire Fiscal Period ending November 2021 (from December 1, 2020 to November 30, 2021)” on page 12.

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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

Enex Infrastructure Investment Corporation (hereinafter “EII”) was founded on August 3, 2018, under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter 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, Ltd., 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. As a result, the total number of investment units issued and outstanding was 91,825 units as of November 30, 2020. On December 1, 2020, EII issued additional investment units (245,000 units) through public offering, and on December 23, new investment units (12,250 units) through a third-party allotment. As of the date of this document, the total number of investment units outstanding is 349,075 units.

(b) Investment Environment and Management Results

During the fiscal period, the Japanese economy experienced a major turmoil in the global financial markets. In addition to uncertainties, such as the impact of a decline in personal consumption due to the consumption tax hike and sluggish exports continuing from the previous fiscal year, the worldwide expansion of COVID-19 worsened the situation in 2020. As a result, the New York Dow Jones Industrial Average showed the largest decline in history, and the Nikkei Stock Average temporarily fell to the 16-thousand-yen level. In Japan, when the declaration of a state of emergency in April 2020 led to large-scale stagnation in social activities, uncertainty spread across not only financial markets, but also the real economy as a whole, as well as corporate performance, employment and personal income. Following the lifting of the state of emergency, corporate activities gradually resumed, and stock prices in Japan and other countries rapidly recovered and the market regained a certain level of stability thanks to the effects of various measures, including aggressive monetary and fiscal policies and funding support by financial institutions. However, the number of people infected has been increasing over a certain period of time in each country, and the movement of people is still severely limited all over the world. As a result, it remains uncertain as to when full-fledged economic activities will resume.

In the environment surrounding renewable energy power generation facilities (Note 1), the Cabinet decided the Fifth Basic Energy Plan on July 3, 2018, which presented such measures as making preparations to set renewable energy (Note 2) as a major power source, reducing its costs, overcoming the system restrictions (Note 3) and securing its ability to adjust to thermal power generation, in order to ensure realization of the power supply configuration (energy mix) for a 26% reduction in greenhouse gas emissions as the policy toward 2030. Meanwhile, looking to 2050, the government set forth its challenges for energy replacement and decarbonization in the Energy Plan, taking into account the global momentum for decarbonization as observed in the enactment of the Paris Agreement. With regard to renewable energy, the government shall aim to make it a major power source after decarbonization as well as securing its economic independence.

While the government is promoting the strategic plan, the Diet passed the Act of Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems (Act No. 49 of 2020) (hereinafter the “Act”), which includes revisions to the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011, as amended) (hereinafter the “Renewable Energy Special Measures Act”) (hereinafter, the Renewable Energy Special Measures Act after the revision by the Act is referred to as “the Revised Act” which will be in effect on April 1, 2022). The major points of the revisions by the acts are as follows.

First, a new system is to be established to secure reserve for expenses for disposal of solar power generation facilities. The system will require certified operators to reserve money to be expensed for the demolition of such facilities as “reserve for demolition, etc.” in the Organization for Cross-regional Coordination of Transmission Operators, JAPAN when they supply electricity generated by power generation facilities that fall under “category of facilities subject to reserve” designated by the Minister of Economy, Trade and Industry. The specific contents of “category of facilities subject to reserve,” including the details, level, period, and frequency of reserve, are not designated in the Revised Act, and are subject to designation by the Minister of Economy, Trade and Industry and the provisions in the ordinances of the Ministry of Economy, Trade and Industry (METI). However, according to the Interim Report publicized on December 10, 2019, by the Working Group on Securing Expenses for Disposing Solar Power Generation Facilities, Etc. in the New and Renewable Energy Subcommittee under the Committee on Energy Efficiency and Renewable Energy of the Advisory Committee for Natural Resources and Energy in the METI, it is proposed to design a system covering all solar power generation businesses of at least 10kW certified under the Renewable Energy Special Measures Act, in which the operators will reserve the amount of money calculated on the basis of the disposal expenses assumed for the calculation of tariff for a period of ten years before the FIT term end. Presumably, a decision on the system will be made going forward in accordance with the proposal. On the other hand, the proposal suggests that, when the power generation operators describe the reserve amount, reserve method, and other matters designated in the METI ordinances in a power generation business plan and are certified by the Minister of Economy, Trade and Industry, they may reserve the money by themselves (internal reserve) as an exception.

In addition, it has been decided to introduce a mechanism under which the renewable energy power sources anticipated to grow into competitive sources of electricity (competitive power sources) can be traded in the market, etc. like other power sources, and to establish a feed-in premium scheme (FIP scheme) under which such competitive power sources are provided with a certain premium added to the market price. These arrangements are aimed at making renewable energy grow into a power source suitable as being called a major source of electricity that is united and integrated into the electricity market, assuming responsibility similar with other power sources from the viewpoint of the electricity market and the electricity business. The FIP scheme will allow power generation operators to trade electricity they generate on the wholesale electricity

market or through negotiated transactions while they provide the electricity with the difference (premium) between the base price (FIP price) (fixed) and the price based on the market price (reference price) (fixed for a certain period and variable in the long term). The premium is defined in the Revised Act as “supply promotion subsidy.”

However, as the properties EII owns have already started electricity sales under the feed-in tariff scheme (FIT scheme), EII believes that they will continue to be covered by the ongoing FIT scheme and not shifted to the FIP scheme immediately, in consideration of the discussions held at the Subcommittee on System Reform for Renewable Energy as Main Power Source and the government’s explanations at deliberations of the Diet.

Accordingly, even if the FIT scheme shifts to the FIP scheme more progressively, EII believes that it is unlikely to impact the price at which electricity from EII-owned solar power plants in operation is purchased.

In addition, the Revised Act introduces a new system to revoke the certification by the Minister of METI if it does not commence operation within a certain period of time after the certification (hereinafter referred to as the “certification revocation system”) from the standpoint of releasing the system capacity that has been nullified due to projects that do not operate for a long-term. The Revised Act does not stipulate the specific period when the certification expires, and it is subject to the provisions of METI regulations.

However, the properties owned by EII have already sold electricity under the FIT system, and even if the amended law is enforced and the certification revocation system is introduced, this will not invalidate the certification for the solar power plants owned by EII.

Moreover, while there was no revision under the Act, introduction of a producer-side basic charge is being considered. The producer-side basic charge will have power generation operators, who are electrical grid users, partly bear the expenses related to power transmission and distribution that are currently borne only by the electricity retailers (demand side) as a consignment charge. Currently, a detailed design of the system is under consideration by a council (system design expert meeting) of the Electricity and Gas Market Surveillance Commission, aiming to introduce the system in fiscal 2023. Along with the introduction of the producer-side basic charge, regarding expenses for reinforcing the electrical grid when power generation operators connect to the grid, measures to alleviate the initial burden of the power generation operators by raising the upper limit of the amount to be borne by general power transmission and distribution operators (general charges) are being considered. Because the producer-side basic charge is also imposed on the power generation operators who sell electricity by utilizing the FIT scheme for renewable energy (hereinafter the “FIT operators”), adjustment measures are currently under consideration by the special committee for determination of tariff and duration. The 53rd Meeting of the Special Committee held on December 27, 2019, indicated an approach of introducing an additional electricity sale price over the tariff. However, the adjustment measures may not be applied to commercial-use solar power generation within the profit incentive period (i.e., projects with a tariff of between 29 yen (without tax) and 40 yen (without tax)) or projects that are non-operational over the long term. Moreover, it is likely that, with the abovementioned adjustment measures alone, compensation sufficient enough to meet the increased burden due to the introduction of the producer-side basic charge will not be provided for solar power generation and wind power generation at which the facility utilization rate is low. Still, it is unpredictable whether additional adjustment measures through the surcharge of the FIT scheme will be taken to address this issue.

Under such an investment environment, based on the basic policy of asset management set forth in its articles of incorporation, EII acquired Nagasaki Kinkai Solar Power Plant (solar module output (Note 4) of 2.6MW and acquisition price (Note 5) of 1,097 million yen) located in Nagasaki-shi, Nagasaki, on January 17, 2020, through new borrowings and cash on hand, in order to expand its asset size and increase net income.

As a result, the number of already acquired assets stood at six properties as of the end of the period under review (total solar module output of 40.2MW and total price (Note 6) of 16,533 million yen).

- (Note 1) “Renewable energy power generation facilities” refers to facilities for generating electricity from renewable energy (as specified in Article 2 (3) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011, as amended)(excluding properties regarded as real estate), the same shall apply hereinafter), real estate associated with or related to renewable energy power generation facilities, the leasehold right and the superficies right of said real estate, and these properties and assets associated with or related to these properties under the laws of foreign countries. When renewable energy power generation facilities to be invested in, acquired and managed by EII are mentioned, “renewable energy power generation facilities” shall include facilities for generating electricity from renewable energy that underlie EII’s assets under management. Of the renewable energy power generation facilities, those that use sunlight as the energy source shall be referred to as “solar power generation facilities.” The same shall apply hereinafter.
- (Note 2) “Renewable energy” refers to sunlight, wind, hydroelectric energy, geothermal energy and biomass. The same shall apply hereinafter.
- (Note 3) “System restrictions” refers to restrictions generated to keep the supply and demand balance of electricity in the overall system configured by a combination of electric power facilities used for power generation, transmission, transformation and distribution (hereinafter referred to as “power system”).
- (Note 4) “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 plant by the total number of modules. The total solar module output is rounded to the first decimal place. The same shall apply hereinafter.
- (Note 5) “Acquisition price” refers to the transaction price (excluding outsourcing fees related to acquisition of assets and other acquisition expenses, property taxes, city planning taxes, consumption taxes and other fees and charges) as set forth in the sale and purchase agreement for each asset. The same shall apply hereinafter.
- (Note 6) “Price” refers to the valuation 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, 2020, as the valuation date, obtained from PwC Sustainability LLC. The same shall apply hereinafter.

(c) Overview of Financing

In the period, EII borrowed 1,210 million yen (Term Loan C: borrowing amount of 605 million yen with May 2038 as the

final repayment date, Term Loan D: borrowing amount of 605 million yen with May 2038 as the final repayment date) from Shinsei Bank, Ltd. on January 17, 2020, to partly fund the purchase of Nagasaki Kinkai Solar Power Plant (Note). EII also conducted scheduled repayment of 1,966 million yen including loans with consumption taxes payable and partial prepayment of 2 million yen using the insurance money received. As a result, the balance of borrowings as of November 30, 2020, was 10,407 million yen, with the ratio of interest-bearing debt to total assets (hereinafter referred to as “LTV”) standing at 54.4%.

Moreover, EII was assigned the following credit rating as of November 30, 2020.

<Credit rating>

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

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

(d) Overview of Business Performance and Cash Distributions

As a result of the above operations, EII posted operating revenue of 1,570 million yen, operating income of 316 million yen, ordinary income of 221 million yen and net income of 219 million yen for the fiscal period.

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, EII decided to pay out 219 million yen, which is almost the full amount of earnings as designated in Article 136-1 in the Investment Trusts Act, 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 2,393 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) (Cabinet Office Order No. 47 of 2006, as amended) relating to the asset retirement obligations, etc., EII decided to conduct distribution in excess of earnings per unit of 253 yen related to the reserve for temporary difference adjustment (as defined in Article 2-2-30 of the Regulations on Calculations of Investment Corporations), as well as other distribution in excess of earnings per unit of 3,354 yen.

Accordingly, distribution per unit for the fiscal period under review came to 6,000 yen (of which, distribution in excess of earnings per unit was 3,607 yen).

2) Outlook for the Fiscal Period Ending November 30, 2021

(a) New Property Acquisitions (External Growth)

EII owns future pipelines backed by the stable property development capability of the Enex Group (Note) and Maiora through the sponsor support agreement. Utilizing the pipelines, EII will proactively work to achieve external growth. EII also believes that its external growth will be bolstered by the sponsors’ wide-ranging know-how as specialists of renewable energy-related businesses and financial transactions for the business, including their experience in developing renewable energy power generation facilities 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 held by the sponsors to investigate proactively acquiring properties that meet its investment standards from third parties outside the sponsors.

(Note) The Enex Group collectively refers to Itochu Enex and its 45 subsidiaries plus its 22 affiliated companies accounted for by the equity method (as of March 31, 2020).

(b) Management and Operations (Internal Growth)

For the assets it owns, EII has selected Enex Electric Power Co., Ltd. (a 100%-owned subsidiary of Itochu Enex, hereinafter “Enex Power”) as the operator based on the Asset Management Company’s operator selection criteria. Enex 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 Power owns human resources who maintain and manage renewable energy power generation facilities as a power generation business company. Through the deployment of a remote monitoring system for solar plants, Enex 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; and O&M providers refers to those who undertake O&M activities. The same shall apply hereinafter). Enex 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 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.

(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

1) Issuance of new investment units

The EII resolved at the Board of Directors' meetings held on November 10, 2020, and November 24, 2020, to issue new investment units. Payments were completed on December 1, 2020, and December 23, 2020, respectively. As a result, on December 23, 2020, the total amount of investment units issued and outstanding was 349,075 units at 29,799,607 thousand yen.

(a) Issuance of new investment units through public offering (primary offering)

- Number of new investment units issued: 245,000 units
- Issue price (offer price): 88,452 yen per unit
- Total issue price (total offer price): 21,670,740,000 yen
- Issue value (paid-in amount): 84,268 yen per unit
- Total issue value (total paid-in amount): 20,645,660,000 yen
- Payment date: December 1, 2020
- Use of funds: The proceeds from public offering were appropriated as part of the funds for acquisition of newly acquired assets as described in "3) Acquisition of assets" below.

(b) Issuance of new investment units through third-party allotment

- Number of new investment units issued: 12,250 units
- Issue value (paid-in amount): 84,268 yen per unit
- Total issue value (total paid-in amount): 1,032,283,000 yen
- Allottee: SMBC Nikko Securities Co., Ltd.
- Payment date: December 23, 2020
- Use of funds: The proceeds from the issuance of new investment units through the third party allotment will be appropriated as cash on hand to partially fund the acquisition of future specified assets (meaning under Article 2(1) of the Investment Trust Act) or partially fund the repayment of borrowings.

The changes in the total number of units outstanding as a result of the issuance of new investment units as described above are as follows.

- Total number of investment units issued and outstanding as of November 30, 2020: 91,825
- Additional investment units due to the issuance of new investment units through public offering: 245,000 units
- Additional investment units due to the issuance of new investment units through third-party allotment: 12,250 units
- Total number of units outstanding after the issuance of the new investment units mentioned above: 349,075 units

2) Borrowing of funds

On December 2, 2020, EII borrowed funds as follows: This loan was used to fund the acquisition of the newly acquired assets described in "3) Acquisition of assets" below and to fund a portion of various expenses related thereto (including consumption tax and local consumption tax).

Type	Lenders	Borrowing amount (Million yen)	Interest rate (Note 3)	Drawdown date	Repayment date	Repayment method	Conditions
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Yamaguchi Bank, Ltd. The Daisan Bank, Ltd. Resona Bank, Limited The Ashikaga Bank, Ltd. The Iyo Bank, Ltd. Kansai Mirai Bank, Ltd. The Kiyo Bank, Ltd. The Daishi Bank, Ltd. 114 Bank, Ltd. (Note 2)	12,250	Base rate (Note 4) +0.55%	December 2, 2020	November 29, 2030	Installment repayment	Secured Unguaranteed
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Yamaguchi Bank, Ltd. The Daisan Bank, Ltd. Resona Bank, Limited The Ashikaga Bank, Ltd. The Iyo Bank, Ltd. Kansai Mirai Bank, Ltd. The Kiyo Bank, Ltd. The Daishi Bank, Ltd. 114 Bank, Ltd. (Note 2)	12,250	Base rate (Note 4) +0.55% (Note 5)	December 2, 2020	November 29, 2030	Installment repayment	Secured Unguaranteed
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation	3,400	Base rate (Note 6) +0.20%	December 2, 2020	March 31, 2022	Lump-sum repayment	Secured Unguaranteed

(Note 1) "Long-term debt" refers to borrowings with a term of more than 1 year.

(Note 2) The syndicate of lenders is arranged by Sumitomo Mitsui Trust Bank, Ltd., Shinsei Bank, Ltd., Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd.

(Note 3) Loan fees paid to lenders are not included.

(Note 4) The base rate used to calculate the interest paid on each interest date is the 1-month Japanese yen TIBOR released by JBA TIBOR Administration (JBATA) until the end of May 2021, and thereafter the 6-month Japanese yen TIBOR released by JBATA. The Japanese yen TIBOR can be found on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 5) EII has entered into interest rate swap agreements separately with respect to this borrowing in order to avoid interest rate fluctuation risk. The agreement effectively fixes the interest rate on the borrowing at 0.88800%.

(Note 6) The base rate applied to the calculation period of the interest paid on each interest repayment date refers to the 6-month Japanese yen TIBOR published by JBATA.

3) Acquisition of assets

As of December 2, 2020, EII acquired the following solar power generation facilities, etc.

Property number (Note 1)	Property name	Location (Note 2)	Acquisition price (Million yen) (Note 3)
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	40,241

(Note 1) "Property number" is classified as S and numbered for solar power generation facilities.

(Note 2) "Location" is based on the description in the register of the land (one if there are multiple) 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.

(Note 3) After G.K. TSMH1 transferred the superficies and power generation facilities of the subject land in trust, EII acquired the beneficial interests in trust whose main trust property is the superficies and power generation facilities from G.K. TSMH1, and acquired ownership of the subject land from a third party other than the interested parties, adding the subject land in trust. Accordingly, "Acquisition price" refers to the total amount of the sales amount stipulated in the trust beneficial interest purchase agreement and land purchase and sale agreement for the acquired assets (excluding expenses for acquisition, such as the consignment fee, etc., fixed asset tax, city planning tax, consumption tax, etc., and other fees, etc.).

(3) Forecast of Management Status

EII forecasts its management status for the entire fiscal period ending November 2021 (from December 1, 2020 to November 30, 2021) as follows. For the assumptions of the management status, please refer to “Assumptions of Forecast of Management Status for the Interim Period (from December 1, 2020 to May 31, 2021) of the Fiscal Period Ending November 2021 and the Entire Fiscal Period Ending November 2021 (from December 1, 2020 to November 30, 2021)” below. The calculation period of EII shall be one year from December 1 of each year to November 30 of the following year. For investment units of an investment corporation, there is no such system equivalent to interim dividends of shares for general operating companies. Accordingly, EII shall conduct cash distributions to its unitholders only once a year when it has distributable profits, based on the audited financial statements.

Forecast of Management Status for the Interim Period for the Fiscal Period Ending November 2021 (from December 1, 2020 to May 31, 2021)

Operating revenue	2,301 million yen
Operating income	622 million yen
Ordinary income	365 million yen
Net income	364 million yen
Distribution per unit	
(excluding distribution in excess of earnings)	- yen
Distribution in excess of earnings per unit	- yen
Distribution per unit	
(including distribution in excess of earnings)	- yen

Forecast of Management Status for the Entire Fiscal Period Ending November 2021 (from December 1, 2020 to November 30, 2021)

Operating revenue	4,693 million yen
Operating income	1,348 million yen
Ordinary income	920 million yen
Net income	919 million yen
Distribution per unit	
(excluding distribution in excess of earnings)	2,633 yen
Distribution in excess of earnings per unit	3,367 yen
Distribution per unit	
(including distribution in excess of earnings)	6,000 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 Interim Period (from December 1, 2020 to May 31, 2021) of the Fiscal Period Ending November 2021 and the Entire Fiscal Period Ending November 2021 (from December 1, 2020 to November 30, 2021)

Item	Assumptions
Calculation period	Interim period for the fiscal period ending November 2021: from December 1, 2020 to May 31, 2021 (182 days) Entire fiscal period ending November 2021: from December 1, 2020 to November 30, 2021 (365 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 the end of November 2021. 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 as of the end of the fiscal period (349,075 units).
Assets under management	<ul style="list-style-type: none"> It is assumed that there are 7 properties comprising the 7 solar power plants, which EII owns as of today, including Matsusaka Solar Power Plant, which EII acquired on December 2, 2020. It is assumed that there will be no change (acquisition of new assets or sale of owned assets, etc.) in the assets under management through November 30, 2021. In practice, this assumption may vary due to such events as acquisition of new assets or sale of owned assets.
Operating revenue	<ul style="list-style-type: none"> The rental business revenue from the assets under management other than Nagasaki Kinkai Solar Power Plant and the properties to be acquired in the fiscal period ending November 2021 is calculated on the basis of the 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) by a third party. While the rent under the lease agreements consists of base rent and performance-linked rent, the rental business revenue is calculated based on base rent only, assuming that no performance-linked rent accrues. For Nagasaki Kinkai Solar Power Plant and the properties to be acquired in the fiscal period ending November 2021, 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 amount equivalent to (p50) x 90% 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 assumed revenue from electricity sales based on forecast power generation (P50) refers to the assumed revenue from power generation calculated by multiplying the relevant 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 the Kyushu Electric Power’s operation area to the relevant forecast power generation value (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 owned assets, not intending to sell such assets. For rental business revenue, EII assumes that there are no delinquencies or non-payments of rent.
Operating expenses	<ul style="list-style-type: none"> Among the rental business expenses of the owned assets, which are the principal operating expenses, expenses other than depreciation are calculated by reflecting variable factors of expenses, based on the values shown in quotes obtained from subcontractors or the historical data. Property taxes are expected to be 429 million yen for the entire fiscal period ending November 2021. For Matsusaka Solar Power Plant acquired by EII on December 2, 2020, EII will settle the property taxes for fiscal 2020 by prorating them for the period with the seller. The amount equivalent to such settlement will be included in the acquisition cost in the fiscal year of acquisition. The total settlement amount of the property taxes to be included in the acquisition cost of Matsusaka Solar Power Plant is 24 million yen. Furthermore, the property tax of Matsusaka Solar Power Plant arising thereafter shall be expensed from the fiscal period ending November 2021 and is estimated to be 238 million yen for the fiscal period. Depreciation is calculated by the straight-line method including certain ancillary expenses and expected to be 2,388 million yen for the entire fiscal period ending November 2021.
Non-operating expenses	<ul style="list-style-type: none"> Expenses related to the issuance of new investment units, etc. are scheduled to be amortized in a lump sum when incurred, and are expected to be 88 million yen for the fiscal period ending November 2021. Interest expenses and other borrowing-related expenses are expected to be 168 million yen for the interim period for the fiscal period ending November 2021 and 338 million yen for the entire fiscal period ending November 2021.
Borrowings	<ul style="list-style-type: none"> The total interest-bearing debt is assumed to be 36,843 million yen as of the end of the fiscal period ending November 2021. LTV is expected to be around 54.5% as of the end of the fiscal period ending November 2021.

Item	Assumptions
	<ul style="list-style-type: none"> 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 Article 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 November 2021 is projected to be at the level of around 6,000 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 3,367 yen. The amount for the fiscal period ending November 2021 is assumed to be equivalent to 49.2% of depreciation. However, EII may not make cash distributions (refunds of investment) in excess of earnings, 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-related 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 distribution (refund of investment) in excess of earnings, the amount of such distribution will be deducted from the unitholders' capital or the capital surplus. As described in the column of "Operating expenses" above, depreciation is calculated by the straight-line method including certain ancillary expenses and expected to be 1,193 million yen for the interim period for the fiscal period ending November 2021 and 2,388 million yen for the entire fiscal period ending November 2021. For the fiscal period ending November 2021, EII anticipates no distribution in excess of earnings (reserve for temporary difference adjustment) 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 regarding expenses related to asset retirement obligations, etc.
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 November 30, 2019)	Current fiscal period (as of November 30, 2020)
Assets		
Current assets		
Cash and deposits	*1 943,071	*1 823,502
Operating accounts receivable	*1 110,183	*1 118,731
Prepaid expenses	29,513	38,690
Consumption taxes receivable	1,219,219	—
Other		1,672
Total current assets	2,301,988	982,595
Non-current assets		
Property, plant and equipment		
Machinery and equipment	16,749,935	17,855,100
Accumulated depreciation	(661,144)	(1,496,246)
Machinery and equipment, net	*1 16,088,791	*1 16,358,853
Total property, plant and equipment	16,088,791	16,358,853
Intangible assets		
Leasehold interests in land	*1 1,378,753	*1 1,440,541
Trademark right	734	653
Software	5,846	7,356
Total intangible assets	1,385,334	1,448,550
Investments and other assets		
Leasehold and guarantee deposits	70,000	70,000
Long-term prepaid expenses	249,955	280,964
Deferred tax assets	32	8
Total investments and other assets	319,987	350,972
Total non-current assets	17,794,113	18,158,377
Total assets	20,096,101	19,140,973
Liabilities		
Current liabilities		
Current portion of long-term loans payable	*1 1,900,866	*1 670,660
Operating accounts payable	1,741	77,685
Accounts payable - other	39,569	43,548
Consumption taxes payable	-	24,340
Income taxes payable	1,876	823
Accrued expenses	435	218
Other	547	553
Total current liabilities	1,945,035	817,830
Non-current liabilities		
Long-term loans payable	*1 9,265,052	*1 9,736,620
Asset retirement obligations	465,894	495,744
Total non-current liabilities	9,730,946	10,232,364
Total liabilities	11,675,981	11,050,194
Net assets		
Unitholders' equity		
Unitholders' capital	8,121,664	8,121,664
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	-	*3 (18,365)
Other deduction from unitholders' capital	-	(232,317)
Total deduction from unitholders' capital	-	(250,682)
Unitholders' capital, net	8,121,664	7,870,981
Surplus		
Unappropriated retained earnings (undisposed loss)	298,455	219,797
Total surplus	298,455	219,797
Total unitholders' equity	8,420,119	8,090,778

Total net assets	*2 8,420,119	*2 8,090,778
Total liabilities and net assets	20,096,101	19,140,973

(2) Statement of Income

(Unit: thousand yen)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Operating revenue		
Rent income from renewable energy power generation facilities	*1 1,257,264	*1 1,570,973
Total operating revenue	1,257,264	1,570,973
Operating expenses		
Rent expenses from renewable energy power generation facilities	*1 737,539	*1 1,116,947
Asset management fee	48,416	61,585
Asset custody and administration fees	14,891	23,444
Remuneration for directors	8,400	8,400
Other operating expenses	20,614	43,760
Total operating expenses	829,861	1,254,138
Operating income (loss)	427,402	316,835
Non-operating income		
Interest income	3	9
Interest on tax refund	1	1,443
Other non-operating income	0	0
Total non-operating income	4	1,452
Non-operating expenses		
Interest expenses	65,933	83,586
Borrowing related expenses	6,230	13,266
Investment unit issuance expenses	39,598	—
Total non-operating expenses	111,762	96,853
Ordinary income (loss)	315,645	221,434
Income (loss) before income taxes	315,645	221,434
Income taxes - current	1,877	1,638
Income taxes - deferred	4,788	23
Total income taxes	6,665	1,661
Net income (loss)	308,979	219,772
Retained earnings (deficit) brought forward	(10,524)	24
Unappropriated retained earnings (undisposed loss)	298,455	219,797

(3) Statement of Changes in Unitholders' Equity

Previous fiscal period (from December 1, 2018 to November 30, 2019)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	100,000	(10,524)	(10,524)	89,475	89,475
Changes during the period					
Issuance of new investment units	8,021,664			8,021,664	8,021,664
Net income (loss)		308,979	308,979	308,979	308,979
Total changes during the period	8,021,664	308,979	308,979	8,330,643	8,330,643
Balance at end of current period	8,121,664	298,455	298,455	8,420,119	8,420,119

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

(Unit: thousand yen)

(Unit: thousand yen)

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

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

(4) Statement of Cash Distributions

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
I Unappropriated retained earnings	298,455,534yen	219,797,186yen
II Addition of distribution in excess of earnings	250,682,250 yen	331,212,775 yen
Of which, reserve for temporary difference adjustment	18,365,000 yen	23,231,725 yen
Of which, the other deduction from unitholders' capital	232,317,250 yen	307,981,050 yen
III Distribution amount	549,113,500 yen	550,950,000 yen
(Distribution amount per unit)	(5,980 yen)	(6,000 yen)
Of which, distribution of earnings	298,431,250 yen	219,737,225 yen
(Of which, distribution of earnings per unit)	(3,250 yen)	(2,393 yen)
Of which, reserve for temporary difference adjustment	18,365,000 yen	23,231,725 yen
(Of which, distribution in excess of earnings per unit) (Related to reserve for temporary difference adjustment))	(200 yen)	(253 yen)
Of which, other distribution in excess of earnings	232,317,250 yen	307,981,050 yen
(Of which, distribution in excess of earnings per unit (Related to other distributions in excess of earnings))	(2,530 yen)	(3,354 yen)
IV Retained earnings brought forward	24,284 yen	59,961 yen

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
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, EII decided to pay out 298,431,250 yen, which is the full amount of unappropriated retained earnings (298,455,534 yen) after excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings. Accordingly, distribution per unit (excluding distribution in excess of earnings) was determined to be 3,250 yen.</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 18,365,000 yen, which is equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes related to the asset retirement obligations, etc. (18,436,305 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 232,317,250 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 549,113,500 yen, and distribution per unit came to 5,980 yen (3,250 yen as distribution of earnings per unit and 2,730 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, EII decided to pay out 219,737,225 yen, which is the full amount of unappropriated retained earnings (219,797,186 yen) after excluding the fraction amount that makes the distribution per unit of less than 1 yen, as distribution of earnings. Accordingly, distribution per unit (excluding distribution in excess of earnings) was determined to be 2,393 yen.</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 23,231,725 yen, which is equivalent to the inconsistency between excess of earnings for tax purposes and excess of earnings for accounting purposes related to the asset retirement obligations, etc. (23,282,027 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 307,981,050 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 550,950,000 yen, and distribution per unit came to 6,000 yen (2,393 yen as distribution of earnings per unit and 3,607 yen as distribution in excess of earnings per unit).</p>

(5) Statement of Cash Flows

(Unit: thousand yen)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Cash flows from operating activities		
Income (loss) before income taxes	315,645	221,434
Depreciation	661,144	835,102
Investment unit issuance expenses	39,598	-
Interest income	(3)	(9)
Interest expenses	65,933	83,586
Decrease (Increase) in operating accounts receivable	(110,183)	(8,547)
Decrease (Increase) in consumption taxes receivable	(1,218,099)	1,219,219
Decrease (Increase) in prepaid expenses	(29,193)	(9,176)
Decrease (Increase) in long-term prepaid expenses	(249,955)	(31,008)
Increase (Decrease) in operating accounts payable	1,741	75,943
Increase (Decrease) in accounts payable - other	37,957	1,799
Increase (Decrease) in consumption taxes payable	-	24,340
Other	1,438	205
Subtotal	(483,976)	2,412,889
Interest received	3	9
Interest expenses paid	(65,497)	(83,803)
Income taxes paid	(45)	(2,691)
Cash flows from operating activities	(549,516)	2,326,404
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,270,044)	(1,075,314)
Purchase of intangible assets	(1,386,364)	(65,087)
Payment of leasehold and guarantee deposits	(60,000)	-
Cash flows from investing activities	(17,716,409)	(1,140,402)
Cash flows from financing activities		
Proceeds from long-term loans payable	11,771,206	1,210,000
Repayments of long-term loans payable	(605,288)	(1,968,638)
Proceeds from issuance of investment units	7,986,065	-
Dividends paid	-	(546,933)
Cash flows from financing activities	19,151,983	(1,305,571)
Net increase (decrease) in cash and cash equivalents	886,057	(119,569)
Balance of cash and cash equivalents at beginning of period	57,013	943,071
Balance of cash and cash equivalents at end of period	*1 943,071	*1 823,502

(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: Machinery and equipment 186 to 291 months</p> <p>(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows: Trademark right 10 years Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2. Accounting for deferred assets	<p>Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they accrue.</p>
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes 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 facility. The amount equivalent to property taxes, etc. capitalized in the acquisition costs of renewable energy power generation facilities in the fiscal period under review is 15,495 thousand yen.</p>
4. Range of funds (cash and cash equivalents) on the Statement of Cash Flows	<p>The funds (cash and cash equivalents) in the Statement of Cash Flows consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</p>
5. Method of hedge accounting	<p>(1) Method of hedge accounting 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 Assessment of the effectiveness of hedging is omitted as requirements are satisfied for special accounting for interest rate swap transactions.</p>
6. Other significant matters serving as the basis for preparation of financial statements	<p>Accounting for consumption taxes Consumption taxes and local consumption taxes are excluded from the corresponding transaction amount.</p>

(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 November 30, 2019)	Current fiscal period (as of November 30, 2020)
Cash and deposits	943,071	818,473
Operating accounts receivable	110,183	118,731
Machinery and equipment	16,088,791	16,358,853
Leasehold interests in land	1,378,753	1,440,541
Total	18,520,799	18,736,599

Secured liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2019)	Current fiscal period (as of November 30, 2020)
Current portion of long-term loans payable	1,900,866	670,660
Long-term loans payable	9,265,052	9,736,620
Total	11,165,918	10,407,280

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

Previous fiscal period
(as of November 30, 2019)

Current fiscal period
(as of November 30, 2020)

50,000 thousand yen

50,000 thousand yen

*3. Reserve for temporary difference adjustments

Previous fiscal period (from December 1, 2018 to November 30, 2019)

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	-	-	18,365	-	18,365	-

2. Specific method of reversal

Machinery and equipment

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

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

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	18,365	18,365	11,569	-	29,934	-

2. Specific method of reversal

Machinery and equipment

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

(Notes to Statement 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, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
A. Operating revenue from the rental business of renewable energy power generation facilities		
Rent income from renewable energy power generation facilities		
(Base rent)	1,256,818	1,561,976
(Performance-linked rent)	446	3,219
(Incidental income)	-	5,778
Total revenue from the rental business of renewable energy power generation facilities	1,257,264	1,570,973
B. Operating expenses from the rental business of renewable energy power generation facilities		
Rent expenses from renewable energy power generation facilities		
(Taxes and dues)	-	177,999
(Insurance expenses)	7,700	9,737
(Repair expenses)	2,015	2,308
(Depreciation)	661,144	835,102
(Rent expenses on land and buildings)	66,250	87,759
(Other expenses)	428	4,039
Total expenses from the rental business of renewable energy power generation facilities	737,539	1,116,947
C. Revenue and expenses from the rental business of renewable energy power generation facilities		
(A-B)	519,725	454,026

(Notes to Statement of Changes in Unitholders' Equity)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
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	1,000 units	91,825 units

(Notes to Statement 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, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Cash and deposits	943,071	823,502
Cash and cash equivalents	943,071	823,502

*2. Important non-financial transactions

Amount of newly recorded significant asset retirement obligations

(Unit: thousand yen)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Amount of significant asset retirement obligations	465,894	29,850

(Notes to Financial Instruments)

1. Matters concerning the status of financial products

(1) Policy on handling financial instruments

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

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

Long-term loans payable are funds procured for acquiring assets for management, and are exposed to interest rate fluctuation risks and liquidity risks, etc. EII reduces such risks by appropriately controlling various indicators, such as setting the upper limit of the interest-bearing debt ratio at 60% as a rule.

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

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

2. Matters concerning fair value of financial instruments

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts for the previous fiscal period (as of November 30, 2019). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted.

(Unit: thousand yen)

	Book value	Fair value (Note 1)	Difference
(1) Cash and deposits	943,071	943,071	-
(2) Operating accounts receivable	110,183	110,183	-
Total assets	1,053,255	1,053,255	-
(3) Current portion of long-term loans payable	1,900,866	1,906,771	5,905
(4) Long-term loans payable	9,265,052	9,355,439	90,387
Total liabilities	11,165,918	11,262,210	96,292

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

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

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

(3) Current portion of long-term loans payable and (4) Long-term loans payable

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

(5) Derivative transactions

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

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, 2020). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted.

(Unit: thousand yen)

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

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

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

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

(3) Current portion of long-term loans payable and (4) Long-term loans payable

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

(5) Derivative transactions

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

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2019).

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Cash and deposits	943,071	-	-	-	-	-
(2) Operating accounts receivable	110,183					
Total	1,053,255	-	-	-	-	-

Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2020)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Cash and deposits	823,502	-	-	-	-	-
(2) Operating accounts receivable	118,731	-	-	-	-	-
Total	942,233	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2019)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(3) Current portion of long-term loans payable	1,900,866	-	-	-	-	-
(4) Long-term loans payable	-	605,288	605,288	605,288	605,288	6,843,900
Total	1,900,866	605,288	605,288	605,288	605,288	6,843,900

Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2020)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(3) Current portion of long-term loans payable	670,660	-	-	-	-	-
(4) Long-term loans payable	-	670,660	670,660	670,660	670,660	7,053,980
Total	670,660	670,660	670,660	670,660	670,660	7,053,980

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

Previous fiscal period (as of November 30, 2019) and current fiscal period (as of November 30, 2020)

Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of November 30, 2019)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	4,935,170	4,632,526	(Note)	-

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note) (3) Current portion of long-term loans payable and (4) Long-term loans payable in Notes to Financial Instruments, 2. Matters concerning fair value of financial instruments.

Current fiscal period (as of November 30, 2020)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	17,454,840 (Note 1)	16,723,054 (Note 1)	(245,947) (Note 2)	(Note 3)

(Note1) The amount includes the contract amount (12,250,000 thousand yen) of interest rate swap which EII entered into on November 30, 2020. The borrowing to be hedged was made on December 2, 2020.

(Note2) Fair value of the interest rate swap entered into on November 30, 2020, represents fair value as of November 30, 2020, due to absence of long-term loans payable to be subject to special accounting collectively. Except for the interest rate swap entered into on November 30, 2020, those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note) (3) Current portion of long-term loans payable and (4) Long-term loans payable in Notes to Financial Instruments, 2. Matters concerning fair value of financial instruments.

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

(Notes to Retirement Benefits)

Previous fiscal period (as of November 30, 2019) and current fiscal period (as of November 30, 2020)

Not applicable.

(Notes to Tax Effect Accounting)

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

(Unit: thousand yen)

	Previous fiscal period As of November 30, 2019	Current fiscal period As of November 30, 2020
Deferred tax assets		
Exclusion of business tax from deductible expenses	32	8
Asset retirement obligations	152,380	163,288
Subtotal of deferred tax assets	152,412	163,297
Valuation allowance	(5,810)	(7,327)
Total deferred tax assets	146,602	155,969
Deferred tax liabilities		
Property, plant and equipment corresponding to asset retirement obligations	(146,570)	(155,961)
Total deferred tax liabilities	(146,570)	(155,961)
Deferred tax assets, net	32	8

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

	Previous fiscal period As of November 30, 2019	Current fiscal period As of November 30, 2020
Effective statutory tax rate	31.51%	31.46%
(Adjustment)		
Deductible cash distributions	(31.62%)	(34.52%)
Amortization of asset retirement obligations	1.84%	3.31%
Other	0.38%	0.50%
Effective tax rate after applying tax effect accounting	2.11%	0.75%

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

Previous fiscal period (as of November 30, 2019) and current fiscal period (as of November 30, 2020)

Not applicable.

(Notes to Transactions with Related Parties)

1. Parent company and major corporate unitholders

Previous fiscal period (from December 1, 2018 to November 30, 2019)

Attribute	Name	Business or occupation	Percentage of investment units owned	Description of transaction	Transaction amount (thousand yen) (Note 1)	Account title	Balance at end of period (thousand yen) (Note 1)
Asset Custodian	Sumitomo Mitsui Trust Bank, Ltd.	Banking and real estate business	1.2%	Borrowing of funds	11,771,206	Long-term loans payable	9,265,052
						Current portion of long-term loans payable	1,900,866
				Repayment of funds	605,288	-	-
				Interest expenses	65,933	Accrued expenses	435
Interested party of the asset management company	Sunrise Megasolar Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	5,305,000	Machinery and equipment	5,073,119
						Leasehold interests in land	224,843
Interested party of the asset management company	Daini Chiyoda Kogen Taiyoko Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	590,000	Machinery and equipment	587,917
						Leasehold interests in land	22,418
Interested party of the asset management company	Hofu Solar Power Generation Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	680,000	Machinery and equipment	638,919
						Leasehold interests in land	61,616
Interested party of the asset management company	Kusu Solar Power Generation Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	324,000	Machinery and equipment	327,517
						Leasehold interests in land	10,216
Interested party of the asset management company	SOLAR ENERGY Hokota Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	10,514,000	Machinery and equipment	9,461,316
						Leasehold interests in land	1,059,658

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

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

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

Attribute	Name	Business or occupation	Percentage of investment units owned	Description of transaction	Transaction amount (thousand yen) (Note 1)	Account title	Balance at end of period (thousand yen) (Note 1)
Asset Custodian	Sumitomo Mitsui Trust Bank, Ltd.	Banking and real estate business	1.2%	Borrowing of funds	-	Long-term loans payable	7,964,840
						Current portion of long-term loans payable	556,842
				Repayment of funds	1,854,215	-	-
				Interest expenses	71,831	Accrued expenses	183
Interested party of the asset management company	Kitakyushu Solar Power Generation Godo Kaisha	Electricity business	-	Acquisition of renewable energy power generation facilities	1,097,100	Machinery and equipment	1,071,369
						Leasehold interests in land	61,787

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

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

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

2. Affiliates, etc.

Previous fiscal period (from December 1, 2018 to November 30, 2019) and current fiscal period (from December 1, 2019 to November 30, 2020)

Not applicable.

3. Sister companies, etc.

Previous fiscal period (from December 1, 2018 to November 30, 2019) and current fiscal period (from December 1, 2019 to November 30, 2020)

Not applicable.

4. Officers and major individual unitholders

Previous fiscal period (from December 1, 2018 to November 30, 2019) and current fiscal period (from December 1, 2019 to November 30, 2020)

Not applicable.

(Notes to Asset Retirement Obligations)

Asset retirement obligations recorded on the balance sheet

1. Overview of the asset retirement obligations

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

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

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

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

(Unit: thousand yen)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Balance at beginning of period	-	465,894
Increase due to purchase of property, plant and equipment	465,894	29,850
Adjustment amount over time	-	-
Decrease due to performance of asset retirement obligations	-	-
Balance at end of period	465,894	495,744

(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, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Book value		
Balance at beginning of period	-	17,467,544
Change during the period	17,467,544	331,850
Balance at end of period	17,467,544	17,799,394
Valuation at end of period	16,394,500	16,533,000

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

(Note 2) The book value is the amount at acquisition cost less the accumulated depreciation.

(Note 3) Of the amount of change during the previous period, the amount of increase is primarily attributable to acquisition of five plants of solar power generation facilities (18,128,688 thousand yen), and the amount of decrease is primarily attributable to depreciation. Of the amount of change during the current period, the amount of increase is primarily attributable to acquisition of Nagasaki Kinkai Solar Power Plant (1,163,007 thousand yen), and the amount of decrease is primarily attributable to depreciation.

(Note 4) The valuation at end of period indicates the total median value calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the appraisal value in the range (from 14,347,000 thousand yen to 18,442,000 thousand yen for previous period, 14,701,000 thousand yen to 18,365,000 thousand yen for current period) shown in the valuation report obtained from PwC Sustainability LLC.

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

(Notes to Segment Information)

(Segment information)

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

(Related information)

Previous fiscal period (from December 1, 2018 to November 30, 2019)

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 Statement 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 Statement of Income.

(2) Property, plant and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property 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	415,207	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	52,813	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	63,453	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	31,458	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	694,330	Rental business of renewable energy power generation facilities

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

1. Information by product and service

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

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: thousand yen)

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

(Notes to Per Unit Information)

	Previous fiscal period (as of November 30, 2019)	Current fiscal period (as of November 30, 2020)
Net assets per unit	91,697 yen	88,110 yen
Net income (loss) per unit	4,198 yen	2,393 yen

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

The net income per unit is 3,367 yen when calculated using the day-average weighted number of investment units (91,745 units) with February 13, 2019, when asset management practically started in the previous fiscal period, deemed as the beginning of the previous period.

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

		Previous fiscal period From December 1, 2018 to November 30, 2019	Current fiscal period From December 1, 2019 to November 30, 2020
Net income (loss)	(thousand yen)	308,979	219,772
Amount not attributable to common unitholders	(thousand yen)	-	-
Net income (loss) per unit attributable to common investment units	(thousand yen)	308,979	219,772
Average number of investment units during the period	(units)	73,594	91,825

(Notes to Significant Subsequent Events)

1. Issuance of new investment units

At the board of directors' meeting held on November 10, 2020, and November 24, 2020, EII resolved issuance of new investment units. The payment has been completed on December 1, 2020, and December 23, 2020, respectively. As a result, unitholders' capital ran to 29,799,607 thousand yen and total number of investment units issued and outstanding is 349,075 units as of December 23, 2020.

(a) New issuance of investment units through public offering (primary offering)

- Number of investment units newly issued 245,000 units
- Issue price (offer price) 88,452 yen per unit
- Total amount of issue price (total offer price) 21,670,740,000 yen
- Issue value (paid-in amount) 84,268 yen per unit
- Total issue value (total paid-in amount) 20,645,660,000 yen
- Payment date December 1, 2020
- Usage of proceeds The proceed from the public offering was used to fund a part of the acquisition of new asset stated in "3) Acquisition of assets" below.

(b) New issuance of investment unit through third party allotment

- Number of investment units newly issued 12,250 units
- Issue value (paid-in amount) 84,268 yen per unit
- Total issue value (total paid-in amount) 1,032,283,000 yen
- Allottee SMBC Nikko Securities Inc.
- Payment date December 23, 2020
- Usage of proceeds The proceeds from the third-party allotment will be appropriated as cash on hand for future acquisitions of specified assets (as defined in Article 2, Paragraph 1 of the Investment Trust Act) or the partial repayment of the loan.

Change in the total number of investment units issued and outstanding are as follows.

- Total number of investment units issued and outstanding as of November 30, 2020 91,825 units
- Increase of investment units by new issuance through public offering 245,000 units
- Increase of investment units by new issuance through third party allotment 12,250 units
- Total number of investment units issued and outstanding after new issuance above 349,075 units

2. Borrowing of funds

EII made the borrowing on December 2, 2020, as follows. The proceeds from the borrowing were used to fund a part of acquisition of new asset stated in “3. Acquisition of asset” below and related expenses (including consumption tax and local consumption tax).

Type	Lenders	Borrowing amount (Million yen)	Interest rate (Note 3)	Drawdown date	Repayment date	Repayment method	Conditions
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Yamaguchi Bank, Ltd. The Daisan Bank, Ltd. Resona Bank, Limited The Ashikaga Bank, Ltd. The Iyo Bank, Ltd. Kansai Mirai Bank, Ltd. The Kiyo Bank, Ltd. The Daishi Bank, Ltd. 114 Bank, Ltd. (Note 2)	12,250	Base rate (Note 4) +0.55%	December 2, 2020	November 29, 2030	Installment repayment	Secured Unguaranteed
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. The Yamaguchi Bank, Ltd. The Daisan Bank, Ltd. Resona Bank, Limited The Ashikaga Bank, Ltd. The Iyo Bank, Ltd. Kansai Mirai Bank, Ltd. The Kiyo Bank, Ltd. The Daishi Bank, Ltd. 114 Bank, Ltd. (Note 2)	12,250	Base rate (Note 4) +0.55% (Note 5)	December 2, 2020	November 29, 2030	Installment repayment	Secured Unguaranteed
Long term	Sumitomo Mitsui Trust Bank, Ltd. Shinsei Bank, Ltd. Sumitomo Mitsui Banking Corporation	3,400	Base rate (Note 6) +0.20%	December 2, 2020	March 31, 2022	Lump-sum repayment	Secured Unguaranteed

(Note 1) "Long-term debt" refers to borrowings with a term of more than 1 year.

(Note 2) The syndicate of lenders is arranged by Sumitomo Mitsui Trust Bank, Ltd., Shinsei Bank, Ltd., Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd.

(Note 3) Loan fees paid to lenders are not included.

(Note 4) The base rate used to calculate the interest paid on each interest date is the 1-month Japanese yen TIBOR released by JBA TIBOR Administration (JBATA) until the end of May 2021, and thereafter the 6-month Japanese yen TIBOR released by JBATA. The Japanese yen TIBOR can be found on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 5) EII has entered into interest rate swap agreements separately with respect to this borrowing in order to avoid interest rate fluctuation risk. The agreement effectively fixes the interest rate on the borrowing at 0.88800%.

(Note 6) The base rate applied to the calculation period of the interest paid on each interest repayment date refers to the 6-month Japanese yen TIBOR published by JBATA.

3) Acquisition of assets

As of December 2, 2020, EII acquired the following solar power generation facilities, etc.

Property number (Note 1)	Property name	Location (Note 2)	Acquisition price (Million yen) (Note 3)
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	40,241

(Note 1) "Property number" is classified as S and numbered for solar power generation facilities.

(Note 2) "Location" is based on the description in the register of the land (one if there are multiple) 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.

(Note 3) After G.K. TSMH1 transferred the superficies and power generation facilities of the subject land in trust, EII acquired the beneficial interests in trust whose main trust property is the superficies and power generation facilities from G.K. TSMH1, and acquired ownership of the subject land from a third party other than the interested parties, adding the subject land in trust. Accordingly, "Acquisition price" refers to the total amount of the sales amount stipulated in the trust beneficial interest purchase agreement and land purchase and sale agreement for the acquired assets (excluding expenses for acquisition, such as the consignment fee, etc., fixed asset tax, city planning tax, consumption tax, etc., and other fees, etc.).

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

Previous fiscal period (from December 1, 2018 to November 30, 2019)

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	18,365

2. Specific method of reversal

Machinery and equipment

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

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

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	23,231

9. 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.

(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 from the establishment of EII to November 30, 2020, are as follows.

Date	Event	Unitholders' capital (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)

(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.

3. Reference Information

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

I. Conditions of Investment

Asset type	Category of investment area (Note 1)	2nd fiscal period (as of November 30, 2020)		3rd fiscal period (as of November 30, 2020)	
		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	14,534	72.3	13,824	72.2
	Chugoku region	1,226	6.1	1,169	6.1
	Kyushu/Okinawa region	327	1.6	1,364	7.1
Subtotal		16,088	80.1	16,358	85.5
Leasehold interests in land	Kanto region	1,284	6.4	1,284	6.7
	Chugoku region	84	0.4	84	0.4
	Kyushu/Okinawa region	10	0.1	72	0.4
Subtotal		1,378	6.9	1,440	7.5
Renewable energy power generation facilities	Kanto region	15,818	78.7	15,109	78.9
	Chugoku region	1,310	6.5	1,253	6.5
	Kyushu/Okinawa region	337	1.7	1,436	7.5
Subtotal		17,467	86.9	17,799	93.0
Deposits and other assets		2,628	13.1	1,341	7.0
Total assets (Note 3)		20,096	100.0	19,140	100.0

	Amount (million yen)	Ratio to total assets (%)	Amount (million yen)	Ratio to total assets (%)
Total liabilities (Note 3)	11,675	58.1	11,050	57.7
Total net assets (Note 3)	8,420	41.9	8,090	42.3
Total assets (Note 3)	20,096	100.0	19,140	100.0

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

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

The following table provides a summary of the renewable energy power generation facilities owned by EII as of November 30, 2020.

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

(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.

(Note 4) "Area" is based on the description in the register and may be different from the actual area. The area of the Takahagi Solar Power Plant 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 easement have been established to part of the adjacent land for the purpose of 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 easement 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 an easement has been established for the purpose of installing and using buried cables.

(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)	Valuation at end of period (million yen) (Note 3)	Appraisal value of infrastructure assets, etc. (million yen) (Note 4) (upper: facilities) (lower: real estate)	Book value at end of the period (million yen) (Note 5)
S-01	Takahagi Solar Power Plant	Sunrise Megasolar Godo Kaisha	TEPCO Energy Partner, Incorporated	5,305	5,220	5,012	4,819
						208	224
S-02	Chiyoda Kogen Solar Power Plant	Daini Chiyoda Kogen Taiyoko Godo Kaisha	The Chugoku Electric Power Co., Inc.	590	512	494	560
						18	22
S-03	JEN Hofu Solar Power Plant	Hofu Solar Power Generation Godo Kaisha	The Chugoku Electric Power Co., Inc.	680	638	580	608
						57	61
S-04	JEN Kusu Solar Power Plant	Kusu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	324	285	277	305
						7	10
S-05	Hokota Solar Power Plant	SOLAR ENERGY Hokota Godo Kaisha	TEPCO Energy Partner, Incorporated	10,514	8,852	7,802	9,005
						1,050	1,059
S-06	Nagasaki Kinkai Solar Power Plant	Kitakyushu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	1,097	1,024	967	1,059
						57	61
Total				18,510	16,533	15,135	16,358
						1,397	1,440

(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). The same shall apply hereinafter.

(Note 2) “Electricity utilities” refers to the electricity utilities as set forth in Article 2-1 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011, as amended).

(Note 3) “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 right or the superficies of the real estate altogether as one) in the range shown in the valuation report obtained from PwC Sustainability LLC.

(Note 4) For the “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 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), or Japan Real Estate Institute (the real estate appraiser for S-06; the same shall apply hereinafter) from the valuation as of the end of the period indicated in (Note 3) 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., or Japan Real Estate Institute. Real estate includes the superficies right or leasehold right of the relevant real estate.

(Note 5) 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 right or leasehold right 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 December 1, 2019 to November 30, 2020).

(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	1,561,976	504,210	59,114	72,214	35,596
Performance-linked rent	3,219	-	-	-	-
Incidental income	5,778	-	-	-	-
Rent revenue – renewable energy power generation facilities (A)	1,570,973	504,210	59,114	72,214	35,596
Rent expenses - renewable energy power generation facilities					
Taxes and dues	177,999	44,210	7,075	7,684	3,946
Insurance expenses	9,737	2,448	805	440	980
Repair expenses	2,308	-	2,156	-	152
Depreciation	835,102	253,655	29,474	30,185	22,330
Rent expenses on land and buildings	87,759	39,949	3,540	7,897	1,644
Other expenses	4,039	300	-	177	137
Rent expenses - renewable energy power generation facilities (B)	1,116,947	340,564	43,053	46,385	29,191
Rent income (loss) from renewable energy power generation facilities (A-B)	454,026	163,645	16,060	25,828	6,405

Property No.	S-05	S-06
Property name	Hokota Solar Power Plant	Nagasaki Kinkai Solar Power Plant
Rent revenue - renewable energy power generation facilities		
Base rent	813,531	77,309
Performance-linked rent	-	3,219
Incidental income	5,778	-
Rent revenue – renewable energy power generation facilities (A)	819,309	80,529
Rent expenses - renewable energy power generation facilities		
Taxes and dues	115,081	-
Insurance expenses	4,395	665
Repair expenses	-	-
Depreciation	457,829	41,626
Rent expenses on land and buildings	30,043	4,684
Other expenses	3,425	-
Rent expenses - renewable energy power generation facilities (B)	610,775	46,976
Rent income (loss) from renewable energy power generation facilities (A-B)	208,534	33,552

(Note) The duration of the fiscal period under review is 366 days, but the management period of Nagasaki Kinkai Solar Power Plant in practice is 319 days as EII acquired the property on January 17, 2020.

(2) Status of Capital Expenditures

1) Planned capital expenditures

Not applicable.

2) Capital expenditures during the fiscal period

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

Property No.	Property name	Location	Purpose	Period	Paid amount (thousand yen)
S-02	Chiyoda Kogen Solar Power Plant	Kitahiroshima-cho, Yamagatagun, Hiroshima	Work on power control devices	From February 2020 to March 2020	2,065
S-05	Hokota Solar Power Plant	Hokota-shi, Ibaraki	Work on security system	From August 2020 to September 2020	1,880