

Summary of Financial Results for the Fiscal Period Ended November 2021 (Infrastructure Fund)

January 14, 2022

Infrastructure Fund Issuer: Enex Infrastructure Investment Corporation
 Securities Code: 9286
 Representative: Keiichi Matsuzuka, Executive Officer

Listing Exchange: Tokyo Stock Exchange
 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 2021 (from December 1, 2020 to November 30, 2021)

(1) Management Status

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended Nov. 2021	4,606	193.2	1,298	309.9	896	304.9	894	307.1
Fiscal period ended Nov. 2020	1,570	25.0	316	(25.9)	221	(29.8)	219	(28.9)

	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. 2021	2,568	4.7	2.1	19.5
Fiscal period ended Nov. 2020	2,393	2.7	1.1	14.1

(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. 2021	2,563	894	3,437	1,199	6,000	2,094	100.0	3.0
Fiscal period ended Nov. 2020	2,393	219	3,607	331	6,000	550	100.0	2.7

(Note 1) 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 2) The 3,437 yen in distribution in excess of earnings per unit for the fiscal period ended November 2021 comprises 83 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 2021 comprises 28 million yen in reserve for temporary difference adjustments and 1,170 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.

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

(Note 4) 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 and the ratio of distribution to net assets for the fiscal period ended November 2021 are 103.2% and 3.1%, respectively, if they are calculated by using the sum total of distribution excluding distribution in excess of earnings and the portion of reserve for temporary difference adjustments in the distribution in excess of earnings. The payout ratio is calculated using the following formula.
Payout ratio = (distribution excluding distribution in excess of earnings + portion of reserve for temporary difference adjustments in distribution in excess of earnings) / net income x 100

(Note 5) The ratio of reduced surplus for the fiscal period ended November 2020, etc. due to distribution in excess of earnings (refund of investment) is 0.011, and for the fiscal period ended November 2021 is 0.041.

(3) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended Nov. 2021	67,810	30,112	44.4	86,263
Fiscal period ended Nov. 2020	19,140	8,090	42.3	88,110

(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. 2021	(808)	(41,057)	47,477	6,435
Fiscal period ended Nov. 2020	2,326	(1,140)	(1,305)	823

2. Forecast of Management Status for the Fiscal Period Ending May 2022 (from December 1, 2021 to May 31, 2022) and Forecast of Management Status for the Fiscal Period Ending November 2022 (from June 1, 2022 to November 30, 2022)

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

	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending May 2022	2,362	—	654	—	490	—	489	—	1,403	1,597	3,000
Fiscal period ending Nov. 2022	2,407	1.9	723	10.6	567	15.8	567	15.8	1,625	1,375	3,000

(Reference) Forecast net income per unit (forecast net income / forecast number of investment units at end of period)
(Fiscal period ending May 2022) 1,403 yen; (Fiscal period ending November 2022) 1,624 yen

(Note 1) As stated in “Notice Concerning Partial Amendments to the Articles of Incorporation and Election of Directors” dated today, Enex Infrastructure Investment Corporation (hereinafter “EII”) resolved to submit a proposal for amending the Articles of Incorporation to change its settlement of accounts (fiscal period end) from the last day of November of each year to become the last day of May and the last day of November of each year and to change its business period (fiscal period) in line with such (hereinafter the “Proposal for Partial Amendments to the Articles of Incorporation”) to the third general meeting of unitholders of EII to be held on February 18, 2022. If the Proposal for Partial Amendments to the Articles of Incorporation is approved, the fiscal periods of EII will be changed to become, in each year, from June 1 to the last day of November and from December 1 to the last day of May of the following year. Accordingly, EII’s 5th fiscal period is assumed to be a period of six months from December 1, 2021 to May 31, 2022, and EII’s 6th fiscal period is assumed to be a period of six months from June 1, 2022 to November 30, 2022.

(Note 2) As EII’s 5th fiscal period is assumed to be a period of six months from December 1, 2021 to May 31, 2022, no rate of period-on-period change is indicated for the fiscal period ending May 2022.

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

1) Total number of investment units issued and outstanding (including treasury units) at end of period	Fiscal period ended Nov. 2021	349,075 units	Fiscal period ended Nov. 2020	91,825 units
2) Number of treasury units at end of period	Fiscal period ended Nov. 2021	0 units	Fiscal period ended Nov. 2020	0 units

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

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

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

Forecast of management status and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable by EII. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distributions and distributions in excess of earnings. For the assumptions underlying the forecast of management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2022 (from December 1, 2021 to May 31, 2022) and Fiscal Period Ending November 2022 (from June 1, 2022 to November 30, 2022)” on page 8.

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1. Management Status

(1) Management Status

1) Overview of the Fiscal Period under Review

(a) Brief History of Enex Infrastructure Investment Corporation

EII was founded on August 3, 2018, under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter the “Investment Trust Act”), with Enex Asset Management Co., Ltd. (hereinafter the “Asset Management Company”) as the originator and Itochu Enex Co., Ltd. (hereinafter “Itochu Enex”), Sumitomo Mitsui Trust Bank, Limited, Mercuria Investment Co., Ltd., and Maiora Asset Management Pte. Ltd. (hereinafter “Maiora”) as the sponsors (equity investment of 100 million yen with 1,000 units issued). Registration to the Kanto Local Finance Bureau completed on September 5, 2018 (Registration No.: Director-General of the Kanto Local Finance Bureau No. 139).

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

After that, EII issued additional investment units (245,000 units) through public offering (primary offering) on December 1, 2020, and issued new investment units (12,250 units) through third-party allotment on December 23, 2020. As a result, the total number of investment units issued and outstanding is 349,075 units as of November 30, 2021.

(b) Investment Environment and Management Results

During the fiscal period under review, the Japanese economy showed a gradual resumption of economic activities with the progress in vaccination in each country amid the prolonged impact on economic activities on a global scale resulting from the spread of COVID-19 continuing from the previous fiscal year. However, economic activities became stagnant due to the impact of self-restraint from outings and business operations upon the declaration of the third state of emergency in April 2021, keeping the outlook still uncertain.

Under such an investment environment, based on the basic policy on asset management and such set forth in its Articles of Incorporation, EII acquired Matsusaka Solar Power Plant (solar module output (Note 1) of 98.0MW and acquisition price (Note 2) of 40,241 million yen) located in Matsusaka-shi, Mie, on December 2, 2020, and Shinshiro Solar Power Plant (solar module output (Note 1) of 1.5MW and acquisition price (Note 2) of 465 million yen) located in Shinshiro-shi, Aichi, on April 26, 2021, in order to expand its asset size and increase net income.

As a result, the number of already acquired assets stood at eight properties as of the end of the period under review (total solar module output of 139.8MW and total price (Note 3) of 56,496 million yen).

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

(Note 2) “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 3) “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, 2021, as the valuation date, obtained from PricewaterhouseCoopers Sustainability LLC. The same shall apply hereinafter.

(c) Overview of Financing

In the fiscal period under review, EII borrowed 27,900 million yen (Term Loan E: borrowing amount of 12,250 million yen with final repayment due in November 2030; Term Loan F: borrowing amount of 12,250 million yen with final repayment due in November 2030; Consumption Tax Loan: borrowing amount of 3,400 million yen with final repayment due in March 2022) from a syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Limited, Shinsei Bank, Limited, Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd. on December 2, 2020, to partly fund the purchase of Matsusaka Solar Power Plant. EII also conducted scheduled repayment of 1,463 million yen during the fiscal period under review. As a result, the balance of borrowings as of November 30, 2021, was 36,843 million yen, with the ratio of interest-bearing debt to total assets (hereinafter “LTV”) standing at 54.3%.

Moreover, EII was assigned the following credit rating as of November 30, 2021.

<Credit rating>

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

(d) Overview of Business Performance and Cash Distributions

As a result of the above operations, EII posted operating revenue of 4,606 million yen, operating income of 1,298 million yen, ordinary income of 896 million yen and net income of 894 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 894 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 2,563 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 83 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 3,437 yen).

2) Outlook for the Next Fiscal Period

(a) New Property Acquisitions (External Growth)

EII owns future pipelines backed by the stable property development capability of the Enex Group (Note 1) and 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 power generation businesses and financial transactions for the business, including their experience in developing renewable energy power generation facilities (Note 2) as well as collecting and analyzing information and conducting financing to precede the development.

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

(Note 1) The Enex Group collectively refers to Itochu Enex and its 45 subsidiaries plus its 21 affiliated companies accounted for by the equity method (as of March 31, 2021).

(Note 2) "Renewable energy power generation facilities" refers to those provided 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 those falling under the category of real estate). The same shall apply hereinafter.

(b) Management and Operations (Internal Growth)

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

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

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

(c) Financial Strategy

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

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

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

(2) Significant Subsequent Events

Not applicable.

(3) Forecast of Management Status

EII forecasts its management status for the fiscal period ending May 2022 (from December 1, 2021 to May 31, 2022) and fiscal period ending November 2022 (from June 1, 2022 to November 30, 2022) as follows. For the assumptions of the management status, please refer to “Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2022 (from December 1, 2021 to May 31, 2022) and Fiscal Period Ending November 2022 (from June 1, 2022 to November 30, 2022)” below. If the Proposal for Partial Amendments to the Articles of Incorporation is approved at the third general meeting of unitholders of EII, the fiscal periods and settlement of accounts of EII will be changed to become, in each year, from June 1 to the last day of November and from December 1 to the last day of May of the following year. Accordingly, EII’s 5th fiscal period is assumed to be a period of six months from December 1, 2021, to May 31, 2022, and EII’s 6th fiscal period is assumed to be a period of six months from June 1, 2022, to November 30, 2022.

Forecast of Management Status for the Fiscal Period Ending May 2022 (from December 1, 2021 to May 31, 2022)

Operating revenue	2,362 million yen
Operating income	654 million yen
Ordinary income	490 million yen
Net income	489 million yen
Distribution per unit	
(excluding distribution in excess of earnings)	1,403 yen
Distribution in excess of earnings per unit	1,597 yen
Distribution per unit	
(including distribution in excess of earnings)	3,000 yen

Forecast of Management Status for the Fiscal Period Ending November 2022 (from June 1, 2022 to November 30, 2022)

Operating revenue	2,407 million yen
Operating income	723 million yen
Ordinary income	567 million yen
Net income	567 million yen
Distribution per unit	
(excluding distribution in excess of earnings)	1,625 yen
Distribution in excess of earnings per unit	1,375 yen
Distribution per unit	
(including distribution in excess of earnings)	3,000 yen

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

Assumptions of Forecast of Management Status for the Fiscal Period Ending May 2022 (from December 1, 2021 to May 31, 2022)
and Fiscal Period Ending November 2022 (from June 1, 2022 to November 30, 2022)

Item	Assumptions
Calculation period	<p>Fiscal period ending May 2022: from December 1, 2021 to May 31, 2022 (182 days)</p> <p>Fiscal period ending November 2022: from June 1, 2022 to November 30, 2022 (183 days)</p> <p>It is assumed that the Proposal for Partial Amendments to the Articles of Incorporation is approved at the third general meeting of unitholders of EII.</p>
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 January 14, 2022, and it is assumed that there will be no change in the number of units due to issuance of additional investment units, etc. through November 30, 2022. Distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) have been calculated based on the forecast total number of investment units issued and outstanding at the end of the fiscal period ending May 2022 and fiscal period ending November 2022 (349,075 units).
Assets under management	<ul style="list-style-type: none"> It is assumed that there are 8 properties comprising the 8 solar power plants, which EII owns as of January 14, 2022. It is assumed that there will be no change (acquisition of new assets or sale of already acquired assets, etc.) in the assets under management through November 30, 2022. In practice, this assumption may vary due to such events as acquisition of new assets other than already acquired ones or sale of already acquired assets.
Operating revenue	<ul style="list-style-type: none"> The rental business revenue from the already acquired assets is calculated on the basis of the base rent indicated in the lease agreements for solar power generation facilities effective as of today (the “lease agreements”), which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses (including but not limited to taxes and dues, compensation for O&M providers and compensation for operators; the same shall apply hereinafter) from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 1) calculated by a third party based on the annual hourly solar radiation database or other data compiled by New Energy and Industrial Technology Development Organization or other sources. While the rent under the lease agreements consists of base rent and performance-linked rent, the rental business revenue of the already acquired assets excluding Nagasaki Kinkai Solar Power Plant, Matsusaka Solar Power Plant and Shinshiro Solar Power Plant is calculated based on base rent only, assuming that no performance-linked rent accrues. For Nagasaki Kinkai Solar Power Plant, Matsusaka Solar Power Plant and Shinshiro Solar Power Plant on the other hand, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 2) x 90%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the assumed revenue from electricity sales equivalent to the forecast power generation (P50) x 90% to 100%. (Note 1) “Forecast power generation (P50)” refers to the power generation output calculated by the producer of technical reports or other experts, as a figure of an exceedance probability P (percentile) 50 (a numerical value deemed achievable with a 50% probability). The same shall apply hereinafter. “Assumed revenue from electricity sales based on forecast power generation (P50)” refers to the assumed revenue from electricity sales calculated by multiplying the relevant power generation output by the tariff. (Note 2) For Nagasaki Kinkai Solar Power Plant, the forecast power generation assumes the figure indicated in the “Power Plant Diagnosis Report” prepared by Mitsui Chemicals, Inc. as the figure calculated by reflecting power curtailment in Kyushu Electric Power’s operation area to the relevant forecast power generation (P50), and is different from each of the figures indicated in the “estimated annual power generation.” The same shall apply hereinafter. EII assumes that operating revenue comes from rental business revenue from the already acquired assets, not intending to sell such assets. For rental business revenue, EII assumes that there are no delinquencies or non-payments of rent.
Operating expenses	<ul style="list-style-type: none"> Among the rental business expenses of the already acquired assets, which are the principal operating expenses, expenses other than depreciation are calculated based on historical data or figures obtained from quotes to subcontractors or other data, and by reflecting variable factors of expenses. Property taxes are expected to be 204 million yen for the fiscal period ending May 2022 and 199 million yen for the fiscal period ending November 2022. Depreciation is calculated by the straight-line method including certain ancillary expenses, and expected to be 1,208 million yen for the fiscal period ending May 2022 and 1,208 million yen for the fiscal period ending November 2022.

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are expected to be 163 million yen for the fiscal period ending May 2022 and 155 million yen for the fiscal period ending November 2022.
Borrowings	<ul style="list-style-type: none"> Total interest-bearing debt is assumed to be 32,629 million yen at the end of the fiscal period ending May 2022 and 31,471 million yen at the end of the fiscal period ending November 2022. LTV is expected to be around 52.5% at the end of the fiscal period ending May 2022 and around 52.0% at the end of the fiscal period ending November 2022. The ratio of interest-bearing debt to total assets (LTV) is calculated by using the following formula: Ratio of interest-bearing debt to total assets (LTV) = Total interest-bearing debt / total assets × 100
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the full amount of profit will be distributed based on the cash distribution policy set forth in EII's Articles of Incorporation. There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may vary due to various factors including fluctuations of rent revenue due to change in assets under management, change in lessees and change in the lease agreements, or unpredicted repairs and maintenance.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is calculated based on the cash distribution policy set forth in EII's Articles of Incorporation, to the extent of the amount stipulated by laws and regulations (including the rules defined by The Investment Trusts Association, Japan). EII has the policy of distributing cash in excess of earnings (refund of investment) in every calculation period as a rule, as far as it does not negatively affect the financial state of EII after reserving cash and deposits EII regards as appropriate and taking the arranged loan facilities into account, in order to avoid any impact on the long-term repair plan and meet demand for funds (for new acquisition of investment assets, capital expenditure required for maintenance and improvement of properties held, working capital of EII, payment of loans, distributions of cash, etc.), given the amount of capital expenditure for each calculation period assumed based on the long-term repair plan. Distribution per unit (including distribution in excess of earnings) for the fiscal period ending May 2022 and fiscal period ending November 2022 is projected to be at the level of around 3,000 yen, given the rental business revenue generated from the portfolio, the rental business expenses pertaining to the portfolio, the interest expenses for borrowings and other borrowing related expenses, etc. Of the amount, distribution in excess of earnings per unit is assumed to be 1,597 yen for the fiscal period ending May 2022 and 1,375 yen for the fiscal period ending November 2022. However, EII may not make cash distributions in excess of earnings (refund of investment), or may restrict them under the amounts mentioned earlier, upon consideration of other options, such as repair and capital expenditures in the case of the total depreciation, repayment of borrowings, appropriation to funds for the acquisition of new properties, and the acquisition of treasury investment units, by comprehensively considering the economic environment, the market environment relating to the renewable energy power generation businesses, the financial positions of EII, and other circumstances. Cash distributions in excess of earnings (refund of investment) involve a decrease in cash on hand, and thus if capital expenditures beyond the expectations of EII are required due to any sudden events or other causes, there is a possibility of a shortage of cash on hand or a restriction on the flexible acquisition of properties in terms of funds. In addition, in the case of cash distributions in excess of earnings (refund of investment), the amount of such distribution will be deducted from the unitholders' capital or the capital surplus. As described in the column "Operating expenses" above, depreciation is calculated by the straight-line method including certain ancillary expenses, and expected to be 1,208 million yen for the fiscal period ending May 2022 and 1,208 million yen for the fiscal period ending November 2022, respectively. For the fiscal period ending May 2022 and fiscal period ending November 2022, 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, 2020)	Current fiscal period (as of November 30, 2021)
Assets		
Current assets		
Cash and deposits	*1 823,502	*1 5,992,434
Cash and deposits in trust	-	*1 442,743
Operating accounts receivable	*1 118,731	*1 630,022
Prepaid expenses	38,690	92,333
Consumption taxes receivable	-	3,314,754
Other	1,672	-
Total current assets	982,595	10,472,288
Non-current assets		
Property, plant and equipment		
Machinery and equipment	17,855,100	18,335,951
Accumulated depreciation	(1,496,246)	(2,353,747)
Machinery and equipment, net	*1 16,358,853	*1 15,982,203
Machinery and equipment in trust	-	36,131,211
Accumulated depreciation	-	(1,548,480)
Machinery and equipment in trust, net	-	*1 34,582,731
Land in trust	-	4,425,716
Construction in progress in trust	-	*1 2,310
Total property, plant and equipment	16,358,853	54,992,961
Intangible assets		
Leasehold interests in land	*1 1,440,541	*1 1,477,452
Trademark right	653	571
Software	7,356	6,305
Total intangible assets	1,448,550	1,484,329
Investments and other assets		
Leasehold and guarantee deposits	70,000	75,000
Long-term prepaid expenses	280,964	786,151
Deferred tax assets	8	20
Total investments and other assets	350,972	861,172
Total non-current assets	18,158,377	57,338,463
Total assets	19,140,973	67,810,751
Liabilities		
Current liabilities		
Current portion of long-term loans payable	*1 670,660	*1 5,371,795
Operating accounts payable	77,685	193,472
Accounts payable - other	43,548	137,541
Consumption taxes payable	24,340	-
Income taxes payable	823	1,029
Accrued expenses	218	741
Other	553	556
Total current liabilities	817,830	5,705,136
Non-current liabilities		
Long-term loans payable	*1 9,736,620	*1 31,471,914
Asset retirement obligations	495,744	521,244
Total non-current liabilities	10,232,364	31,993,158
Total liabilities	11,050,194	37,698,294

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2020)	Current fiscal period (as of November 30, 2021)
Net assets		
Unitholders' equity		
Unitholders' capital	8,121,664	29,799,607
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*4 (18,365)	*4 (41,596)
Other deduction from unitholders' capital	(232,317)	(540,298)
Total deduction from unitholders' capital	(250,682)	(581,895)
Unitholders' capital, net	7,870,981	29,217,711
Surplus		
Unappropriated retained earnings (undisposed loss)	219,797	894,744
Total surplus	219,797	894,744
Total unitholders' equity	8,090,778	30,112,456
Total net assets	*3 8,090,778	*3 30,112,456
Total liabilities and net assets	19,140,973	67,810,751

(2) Statements of Income

(Unit: thousand yen)

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

(3) Statements of Changes in Unitholders' Equity

Previous 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

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

(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	(18,365)	(232,317)	(250,682)	7,870,981
Change during current period					
Issuance of new investment units	21,677,943				21,677,943
Distributions of surplus					
Distribution in excess of earnings from reserve for temporary difference adjustments		(23,231)		(23,231)	(23,231)
Other distribution in excess of earnings			(307,981)	(307,981)	(307,981)
Net income					
Total changes during current period	21,677,943	(23,231)	(307,981)	(331,212)	21,346,730
Balance at end of current period	29,799,607	(41,596)	(540,298)	(581,895)	29,217,711

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of the period	219,797	219,797	8,090,778	8,090,778
Change during current period				
Issuance of new investment units			21,677,943	21,677,943
Distributions of surplus	(219,737)	(219,737)	(219,737)	(219,737)
Distribution in excess of earnings from reserve for temporary difference adjustments			(23,231)	(23,231)
Other distribution in excess of earnings			(307,981)	(307,981)
Net income	894,684	894,684	894,684	894,684
Total changes during current period	674,947	674,947	22,021,677	22,021,677
Balance at end of current period	894,744	894,744	30,112,456	30,112,456

(4) Statements of Cash Distributions

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
I Unappropriated retained earnings	219,797,186 yen	894,744,384 yen
II Addition of distribution in excess of earnings	331,212,775 yen	1,199,770,775 yen
Of which, reserve for temporary difference adjustment	23,231,725 yen	28,973,225 yen
Of which, the other deduction from unitholders' capital	307,981,050 yen	1,170,797,550 yen
III Distribution amount	550,950,000 yen	2,094,450,000 yen
(Distribution amount per unit)	(6,000 yen)	(6,000 yen)
Of which, distribution of earnings	219,737,225 yen	894,679,225 yen
(Of which, distribution of earnings per unit)	(2,393 yen)	(2,563 yen)
Of which, reserve for temporary difference adjustment	23,231,725 yen	28,973,225 yen
(Of which, distribution in excess of earnings per unit) (Related to reserve for temporary difference adjustment))	(253 yen)	(83 yen)
Of which, other distribution in excess of earnings	307,981,050 yen	1,170,797,550 yen
(Of which, distribution in excess of earnings per unit (Related to other distributions in excess of earnings))	(3,354 yen)	(3,354 yen)
IV Retained earnings brought forward	59,961 yen	65,159 yen

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
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 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>	<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 894,679,225 yen, which is the full amount of unappropriated retained earnings (894,744,384 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 2,563 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 28,973,225 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. (29,246,476 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 1,170,797,550 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 2,094,450,000 yen, and distribution per unit came to 6,000 yen (2,563 yen as distribution of earnings per unit and 3,437 yen as distribution in excess of earnings per unit).</p>

(5) Statements of Cash Flows

(Unit: thousand yen)

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

(6) Notes to Going Concern Assumption

Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment The straight-line method is adopted. The useful lives of major categories of property, plant and equipment are as follows:</p> <table> <tr> <td>Machinery and equipment</td><td>160 to 291 months</td></tr> <tr> <td>Machinery and equipment in trust</td><td>280 months</td></tr> </table> <p>(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows:</p> <table> <tr> <td>Trademark right</td><td>10 years</td></tr> <tr> <td>Software</td><td>5 years</td></tr> </table> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Machinery and equipment	160 to 291 months	Machinery and equipment in trust	280 months	Trademark right	10 years	Software	5 years
Machinery and equipment	160 to 291 months								
Machinery and equipment in trust	280 months								
Trademark right	10 years								
Software	5 years								
2. Accounting for deferred assets	<p>Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they are paid.</p>								
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes, etc. With respect to property taxes, city planning taxes and depreciable asset taxes, etc. on the owned renewable energy power generation facilities, EII uses the method of charging the corresponding amounts of assessed taxes to the relevant calculation period as rental expenses. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by EII in accordance with the acquisition of renewable energy power generation facilities are not expensed but capitalized in the acquisition costs of the relevant renewable energy power generation facilities. The amount equivalent to property taxes, etc. capitalized in the acquisition costs of renewable energy power generation facilities. in the fiscal period under review is 25,009 thousand yen.</p>								
4. Range of funds (cash and cash equivalents) on the statements of cash flows	<p>The funds (cash and cash equivalents) on the statements of cash flows consist of cash on hand, deposits in trust, deposits that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</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. (2) Hedging instruments and hedged items</p> <table> <tr> <td>Hedging instruments</td><td>Interest rate swap transactions</td></tr> <tr> <td>Hedged items</td><td>Interest rates on borrowings</td></tr> </table> <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. (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>	Hedging instruments	Interest rate swap transactions	Hedged items	Interest rates on borrowings				
Hedging instruments	Interest rate swap transactions								
Hedged items	Interest rates on borrowings								
6. Other matters serving as the basis for preparation of financial statements	<p>(1) Accounting concerning trust beneficiary interests whose trust property is real estate, etc. As for the trust beneficiary interests whose trust property is renewable energy power generation facilities owned by EII, all assets and liabilities accounts in the trust property and all revenue and expense accounts that occurred for the trust property are recorded in the corresponding account titles of the balance sheet and statements of income. Of the trust property recorded in the said account titles, the following important account titles are listed separately on the balance sheet.</p> <ol style="list-style-type: none"> 1) Cash and deposits in trust 2) Machinery and equipment in trust; Land in trust; Construction in progress in trust <p>(2) 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, 2020)	Current fiscal period (as of November 30, 2021)
Cash and deposits	818,473	5,985,476
Cash and deposits in trust	-	442,743
Operating accounts receivable	118,731	630,022
Machinery and equipment	16,358,853	15,982,203
Machinery and equipment in trust	-	34,582,731
Land in trust	-	4,425,716
Construction in progress in trust	-	2,310
Leasehold interests in land	1,440,541	1,477,452
Total	18,736,599	63,528,656

Secured liabilities are as follows:

(Unit: thousand yen)

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

*2. Commitment line agreement

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

(Unit: thousand yen)

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

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

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

*4. Reserve for temporary difference adjustments

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

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

(Unit: thousand yen)

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

2. Specific method of reversal

Machinery and equipment

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

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

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

(Unit: thousand yen)

Subject asset	Reason for reserve	Initially incurred amount	Balance at beginning of period	Reserved amount for period	Reversed amount for period	Balance at end of period	Reason for reversal
Machinery and equipment	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	41,596	18,365	23,231	-	41,596	-

2. Specific method of reversal

Machinery and equipment

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

(Notes to Statements of Income)

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

(Unit: thousand yen)

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

(Notes to Statements of Changes in Unitholders' Equity)

	Previous fiscal period From December 1, 2019 to November 30, 2020	Current fiscal period From December 1, 2020 to November 30, 2021
Total number of authorized investment units and total number of investment units issued and outstanding		
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	91,825 units	349,075 units

(Notes to Statements of Cash Flows)

*1. Relationship between the balance of cash and cash equivalents as of the end of the period and the amounts on the balance sheet

(Unit: thousand yen)

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

*2. Important non-financial transactions

Amount of newly recorded significant asset retirement obligations

(Unit: thousand yen)

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

(Notes to Financial Instruments)

1. Matters concerning the status of financial products

(1) Policy on handling financial instruments

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

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

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

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

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

2. Matters concerning fair value of financial instruments

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts for the previous fiscal period (as of November 30, 2020). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted.

(Unit: thousand yen)

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

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

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

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

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

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

(5) Derivative transactions

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

The table below shows the book values of financial instruments as recorded on the balance sheet, the corresponding fair values and the difference between these amounts for the current fiscal period (as of November 30, 2021). Financial instruments whose fair values are extremely difficult to estimate are not included in the table, and those with insignificant amounts are omitted.

(Unit: thousand yen)

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

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

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

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

(4) Current portion of long-term loans payable and (5) Long-term loans payable

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

(6) Derivative transactions

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

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2020).

(Unit: thousand yen)

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

Scheduled redemption amounts of monetary receivables after the closing date (November 30, 2021)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(1) Cash and deposits	5,992,434	-	-	-	-	-
(2) Cash and deposits in trust	442,743	-	-	-	-	-
(3) Operating accounts receivable	630,022	-	-	-	-	-
Total	7,065,200	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2020)

(Unit: thousand yen)

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

Scheduled repayment amount of long-term loans payables after the closing date (November 30, 2021)

(Unit: thousand yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(4) Current portion of long-term loans payable	5,371,795	-	-	-	-	-
(5) Long-term loans payable	-	1,961,701	1,988,582	1,994,661	2,010,051	23,516,919
Total	5,371,795	1,961,701	1,988,582	1,994,661	2,010,051	23,516,919

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

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

Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of November 30, 2020)

(Unit: thousand yen)

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

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

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

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

Current fiscal period (as of November 30, 2021)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions, etc.	Major hedged item	Contract amount, etc.		Fair value	Calculation method for the fair value
				Of which, exceeding 1 year		
Special accounting for interest rate swaps	Interest rate swap transactions Receivable variable; Payable fixed	Long-term loans payable	16,723,054	15,737,157	(Note)	-

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (4) Current portion of long-term loans payable and (5) Long-term loans payable in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

(Notes to Retirement Benefits)

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

Not applicable.

(Notes to Tax Effect Accounting)

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

(Unit: thousand yen)

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

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

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

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

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

Not applicable.

(Notes to Transactions with Related Parties)

1. Parent company and major corporate unitholders

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

Attribute	Name	Business or occupation	Percentage of investment units owned	Description of transaction	Transaction amount (thousand yen) (Note 1)	Account title	Balance at end of period (thousand yen) (Note 1)
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	Banking and real estate business	1.2%	Borrowing of funds	-	Long-term loans payable	7,964,860
						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, Limited on January 10, 2020, but the claims equivalent for the borrowing amounts were assigned to Shinsei Bank, Limited as of the same date.

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

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

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

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

2. Affiliates, etc.

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

Not applicable.

3. Sister companies, etc.

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

Not applicable.

4. Officers and major individual unitholders

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

Not applicable.

(Notes to Asset Retirement Obligations)

Asset retirement obligations recorded on the balance sheet

1. Overview of the asset retirement obligations

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

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

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

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

(Unit: thousand yen)

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

(Notes to Rental Properties)

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

(Unit: thousand yen)

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

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

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

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

Of the amount of change during the current fiscal period, the amount of increase is primarily attributable to acquisition of Matsusaka Solar Power Plant (40,556,928 thousand yen) and Shinshiro Solar Power Plant (515,765 thousand yen), and the amount of decrease is primarily attributable to depreciation.

(Note 4) The valuation at end of period indicates the total median value calculated by EII, pursuant to Article 41-1-1 of its Articles of Incorporation, from the appraisal value in the range (from 14,701,000 thousand yen to 18,365,000 thousand yen for previous fiscal period; from 52,082,000 thousand yen to 60,911,000 thousand yen for current fiscal period) shown in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC.

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

(Notes to Segment Information)

(Segment information)

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

(Related information)

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

1. Information by product and service

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

2. Information by geographic area

(1) Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: thousand yen)

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

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

1. Information by product and service

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

2. Information by geographic area

(1) Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statements of income.

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: thousand yen)

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

(Notes to Per Unit Information)

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

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

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

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

(Notes to Significant Subsequent Events)

Not applicable.

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

Previous 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

2. Specific method of reversal

Machinery and equipment

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

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

1. Reasons for occurrence, assets and amount of 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, etc.	28,973

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.

(Omission of Disclosure)

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

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

Changes in unitholders' capital and the total number of investment units issued and outstanding since the establishment of EII up to date as of November 30, 2021, 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)
December 1, 2020	Capital increase through public offering	20,645	28,535	245,000	336,825	(Note 6)
December 23, 2020	Capital increase through third-party allotment	1,032	29,567	12,250	349,075	(Note 7)
February 19, 2021	Cash distributions in excess of earnings (Refund of investment)	(307)	29,259	-	349,075	(Note 8)

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

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

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

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

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

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

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

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

3. Reference Information

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

I. Conditions of Investment

Asset type	Category of investment area (Note 1)	3rd fiscal period (as of November 30, 2020)		4th fiscal period (as of November 30, 2021)	
		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	13,824	72.2	13,113	19.3
	Chubu region	-	-	460	0.7
	Chugoku region	1,169	6.1	1,109	1.6
	Kyushu/Okinawa region	1,364	7.1	1,298	1.9
Subtotal		16,358	85.5	15,982	23.6
Leasehold interests in land	Kanto region	1,284	6.7	1,284	1.9
	Chubu region	-	-	36	0.1
	Chugoku region	84	0.4	84	0.1
	Kyushu/Okinawa region	72	0.4	72	0.1
Subtotal		1,440	7.5	1,477	2.2
Renewable energy power generation facilities in trust	Chubu region	-	-	34,585	51.0
Subtotal		-	-	34,585	51.0
Real estate in trust	Chubu region	-	-	4,425	6.5
Subtotal		-	-	4,425	6.5
Renewable energy power generation facilities	Kanto region	15,109	78.9	14,397	21.2
	Chubu region	-	-	39,508	58.3
	Chugoku region	1,253	6.5	1,193	1.8
	Kyushu/Okinawa region	1,436	7.5	1,370	2.0
Subtotal		17,799	93.0	56,470	83.3
Deposits and other assets		1,341	7.0	11,340	16.7
Total assets (Note 3)		19,140	100.0	67,810	100.0

	Amount (million yen)	Ratio to total assets (%)	Amount (million yen)	Ratio to total assets (%)
Total liabilities (Note 3)	11,050	57.7	37,698	55.6
Total net assets (Note 3)	8,090	42.3	30,112	44.4
Total assets (Note 3)	19,140	100.0	67,810	100.0

(Note 1) “Regions” is defined as follows:

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

“Chubu region” refers to Aichi, Gifu, Mie, Niigata, Shizuoka, and Yamaguchi 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, 2021.

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

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

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

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

Property No.	Property name	Power generation operator (Note 1)	Electricity utilities (Note 2)	Acquisition price (million yen)	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	4,978	4,790	4,565
						188	224
S-02	Chiyoda Kogen Solar Power Plant	Daini Chiyoda Kogen Taiyoko Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	590	487	470	531
						17	22
S-03	JEN Hofu Solar Power Plant	Hofu Solar Power Generation Godo Kaisha	Chugoku Electric Power Transmission & Distribution Co., Inc.	680	605	546	578
						58	61
S-04	JEN Kusu Solar Power Plant	Kusu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	324	266	258	284
						7	10
S-05	Hokota Solar Power Plant	SOLAR ENERGY Hokota Godo Kaisha	TEPCO Energy Partner, Incorporated	10,514	8,508	7,468	8,547
						1,040	1,059
S-06	Nagasaki Kinkai Solar Power Plant	Kitakyushu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	1,097	990	934	1,014
						56	61
S-07	Matsusaka Solar Power Plant	Godo Kaisha TSMH1	Chubu Electric Power Miraiz Co., Inc.	40,241	40,204	35,824	34,585
						4,380	4,425
S-08	Shinshiro Solar Power Plant	Shinshiro Solar Power Generation Godo Kaisha	Chubu Electric Power Miraiz Co., Inc.	465	456	425	460
						30	36
Total				59,216	56,496	50,718	50,567
						5,777	5,903

(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 rights or the superficies rights of the real estate altogether as one) in the range shown in the valuation report obtained from PricewaterhouseCoopers Sustainability LLC.

(Note 4) For “Appraisal value of infrastructure assets, etc.,” the upper field indicates the assumed valuation (rounded down to the nearest million yen) of the renewable energy power generation facilities, calculated by deducting the real estate appraisal value calculated by Land Coordinating Research Inc. (the real estate appraiser for S-01 and S-02; the same shall apply hereinafter), Daiwa Real Estate Appraisal Co., Ltd. (the real estate appraiser for S-03 and S-04; the same shall apply hereinafter), The Tanizawa Sōgō Appraisal Co., Ltd. (the real estate appraiser for S-05; the same shall apply hereinafter), Japan Real Estate Institute (the real estate appraiser for S-06 and S-07; the same shall apply hereinafter) or CBRE K.K. (the real estate appraiser for S-08; the same shall apply hereinafter) from the valuation at end of the period indicated in (Note 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., Japan Real Estate Institute or CBRE K.K. Real estate includes the superficies rights or leasehold rights 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 rights or leasehold rights of the relevant real estate.

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

The following table provides revenue and expenses of EII's individual renewable energy power generation facilities in the fiscal period under review (from December 1, 2020 to November 30, 2021).

(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	4,378,707	502,184	58,885	72,150	35,624
Performance-linked rent	226,527	295	191	268	18
Incidental income	787	-	-	-	-
Rent revenue - renewable energy power generation facilities (A)	4,606,022	502,479	59,076	72,418	35,642
Rent expenses - renewable energy power generation facilities					
Taxes and dues	429,315	42,615	6,845	7,241	3,741
(Of which, property taxes, etc.)	429,315	42,615	6,845	7,241	3,741
Sundry expenses	153,417	44,818	5,611	8,944	2,786
(Of which, insurance expenses)	37,508	2,468	781	435	948
(Of which, repair expenses)	10,436	1,870	1,259	540	71
(Of which, rent expenses on land and buildings)	96,099	39,949	3,540	7,897	1,644
(Of which, trust fee)	4,969	-	-	-	-
(Of which, other rent expenses)	4,403	530	30	71	121
Depreciation	2,405,981	253,655	29,500	30,191	22,424
(Of which, machinery and equipment)	857,500	253,655	29,500	30,191	22,424
(Of which, machinery and equipment in trust)	1,548,480	-	-	-	-
Rent expenses - renewable energy power generation facilities (B)	2,988,714	341,089	41,957	46,377	28,952
Rent income (loss) from renewable energy power generation facilities (A-B)	1,617,308	161,390	17,119	26,041	6,690

Property No.	S-05	S-06	S-07	S-08
Property name	Hokota Solar Power Plant	Nagasaki Kinkai Solar Power Plant	Matsusaka Solar Power Plant	Shinshiro Solar Power Plant
Rent revenue - renewable energy power generation facilities				
Base rent	809,368	83,127	2,786,931	30,435
Performance-linked rent	415	8,838	211,984	4,515
Incidental income	787	-	-	-
Rent revenue - renewable energy power generation facilities (A)	810,571	91,966	2,998,915	34,950
Rent expenses - renewable energy power generation facilities				
Taxes and dues	110,950	12,869	245,052	-
(Of which, property taxes, etc.)	110,950	12,869	245,052	-
Sundry expenses	45,156	6,069	36,728	3,302
(Of which, insurance expenses)	5,720	706	26,130	316
(Of which, repair expenses)	6,696	-	-	-
(Of which, rent expenses on land and buildings)	30,063	5,362	4,655	2,986
(Of which, trust fee)	-	-	4,969	-
(Of which, other rent expenses)	2,677	-	973	0
Depreciation	457,900	45,411	1,548,480	18,417
(Of which, machinery and equipment)	457,900	45,411	-	18,417
(Of which, machinery and equipment in trust)	-	-	1,548,480	-
Rent expenses - renewable energy power generation facilities (B)	614,007	64,349	1,830,261	21,719
Rent income (loss) from renewable energy power generation facilities (A-B)	196,563	27,616	1,168,654	13,231

(Note) The duration of the fiscal period under review is 365 days, but the management period of Matsusaka Solar Power Plant in practice is 364 days as EII acquired the property on December 2, 2020, and the management period of Shinshiro Solar Power Plant in practice is 219 days as EII acquired the property on April 26, 2021.

(2) Status of Capital Expenditures

1) Planned capital expenditures

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

Property No.	Property name	Location	Purpose	Scheduled period	Scheduled amount (thousand yen)		
					Total amount	Amount paid in the fiscal period under review	Total amount paid
S-05	Hokota Solar Power Plant	Hokota-shi, Ibaraki	Cable theft prevention work	From December 2021 to February 2022	4,085	-	-
S-07	Matsusaka Solar Power Plant	Matsusaka-shi, Mie	Improvement work of communications facility used exclusively for output control	From January 2022 to April 2022	2,100	2,100	2,100

2) Capital expenditures during the fiscal period

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

Property No.	Property name	Location	Purpose	Period	Paid amount (thousand yen)
S-03	JEN Hofu Solar Power Plant	Hofu-shi, Yamaguchi	Automated meter reader	From December 2020 to December 2020	122
S-04	JEN Kusu Solar Power Plant	Kusu-machi, Kusu-gun, Oita	Remote output control system	From March 2021 to March 2021	1,875