

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

July 15, 2020

Infrastructure Fund Issuer: Enex Infrastructure Investment Corporation
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 Listing Exchange: Tokyo Stock Exchange
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Supplementary materials for interim financial results: Yes
 Interim 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 Interim Period

(from December 1, 2019 to May 31, 2020) of Fiscal Period Ending November 2020

(1) Management Status

(Percentage figures are the rate of period-on-period change for the entire fiscal period and the interim period, respectively)

	Operating revenue		Operating income		Ordinary income		(Interim) Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim period ended May 2020	787	51.9	156	(18.7)	108	(13.4)	108	(10.1)
Interim period ended May 2019	518	-	192	-	125	-	120	-
Fiscal period ended Nov. 2019	1,257	-	427	-	315	-	308	-

	(Interim) Net income per unit
	Yen
Interim period ended May 2020	1,176
Interim period ended May 2019	2,174
Fiscal period ended Nov. 2019	4,198

(Note 1) The operating period of Enex Infrastructure Investment Corporation (hereinafter “EII”) is one year from December 1 of each year to November 30 of the following year. The operating period in practice for the interim period ended May 2019 is 108 days from February 13, 2019, when the properties were acquired, to May 31, 2019. The operating period in practice for the fiscal period ended November 2019 is 291 days from February 13, 2019, when the properties were acquired, to November 30, 2019.

(Note 2) For the fiscal period ended November 2019, the interim net income per unit is calculated by dividing interim net income by the day-weighted average number of investment units (55,263 units), and the net income per unit is calculated by dividing net income by the day-weighted average number of investment units (73,594 units). In addition, with February 13, 2019, when asset management practically started, deemed as the beginning of the period, the interim net income per unit is 1,311 yen for the interim period ended May 2019 when calculated using the day-weighted average number of investment units (91,611 units), and the net income per unit is 3,367 yen for the fiscal period ended November 2019 when calculated using the day-average weighted number of investment units (91,745 units).

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

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Interim period ended May 2020	19,379	7,979	41.2	86,894
Interim period ended May 2019	20,190	8,231	40.8	89,641
Fiscal period ended Nov. 2019	20,096	8,420	41.9	91,697

(3) 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
Interim period ended May 2020	1,660	(1,107)	(969)	526
Interim period ended May 2019	(1,257)	(17,716)	19,454	537
Fiscal period ended Nov. 2019	(549)	(17,716)	19,151	943

2. Forecast of Management Status for Fiscal Period Ending November 2020 (from December 1, 2019 to November 30, 2020)
(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
Entire fiscal period	1,570	24.9	313	(26.6)	216	(31.4)	214	(30.4)	2,341	3,659	6,000

(Reference) Forecast net income per unit (forecast net income / forecast number of investment units at end of period)
(Entire fiscal period ending November 2020) 2,340 yen

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

1) Total number of investment units issued and outstanding (including treasury units) at end of period

Interim period ended May 2020	91,825 units	Interim period ended May 2019	91,825 units	Fiscal period ended Nov. 2019	91,825 units
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Total Number of Investment Units Issued and Outstanding

Interim period ended May 2020	0 units	Interim period ended May 2019	0 units	Fiscal period ended Nov. 2019	0 units
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(Note) For the number of investment units based on which (interim) net income is calculated, please refer to "Notes to Per Unit Information" on page 24.

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

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

Forecast of management status and other forward-looking statements contained in this document are based on information that is currently available and certain assumptions that are deemed reasonable by EII. Accordingly, the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distributions and distributions in excess of earnings. For details of the assumptions underlying the forecast for the entire fiscal period ending November 2020 (from December 1, 2019 to November 30, 2020), please refer to "Assumptions of Forecast of Management Status for the Entire Fiscal Period Ending November 2020 (from December 1, 2019 to November 30, 2020)" on pages 8-9.

○ Table of Contents

1. Management Status	4
(1) Management Status	4
(2) Significant Subsequent Events	7
(3) Forecast of Management Status	7
2. Financial Statements	10
(1) Interim Balance Sheets	10
(2) Interim Statements of Income	12
(3) Interim Statements of Changes in Net Assets	13
(4) Interim Statements of Cash Flows	15
(5) Notes to Going Concern Assumption	16
(6) Notes to Significant Accounting Policies	16
(7) Notes to Interim Financial Statements	17
(8) Change in Total Number of Investment Units Issued and Outstanding	25
3. Reference Information	26
(1) Information on Prices of Assets Under Management, Etc.	26
(2) Status of Capital Expenditures	31

1. Management Status

(1) Management Status

1) Overview of the Interim Period Under Review

(a) Brief History of Enex Infrastructure Investment Corporation

Enex Infrastructure Investment Corporation (hereinafter “EII”) was founded on August 3, 2018, under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (hereinafter the “Investment Trusts Act”), with Enex Asset Management Co., Ltd. (hereinafter the “Asset Management Company”) as the originator and Itochu Enex Co., Ltd. (hereinafter “Itochu Enex”), Sumitomo Mitsui Trust Bank, 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. As a result, the total number of investment units issued and outstanding is 91,825 units as of May 31, 2020.

(b) Investment Environment and Management Results

During the interim period under review, the Japanese economy initially demonstrated solidness backed by improvement in corporate earnings and the employment and income environments continuing from the previous fiscal year. However, on top of the decrease in external demand and deteriorating business sentiment that had already surfaced, the spread of the novel coronavirus (COVID-19) infection from the beginning of the year caused economic activities to stagnate on a global scale. The real economy as of present is in an extremely severe situation as the capital market is falling into turmoil due to significant drops in stock prices, and concerns about the slowdown of the world economy to linger have arisen. For these reasons, the outlook remains uncertain.

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

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

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

In addition, it has been decided to introduce a mechanism under which the renewable energy power sources anticipated to grow into competitive sources of electricity (competitive power sources) can be traded in the market, etc. like other power sources, and to establish a feed-in premium scheme (FIP scheme) under which such competitive power sources are provided with a certain premium added to the market price. These arrangements are aimed at making renewable energy grow into a power source suitable as being called a major source of electricity that is united and integrated into the electricity market, assuming responsibility similar with other power sources from the viewpoint of the electricity market and the electricity business. The FIP scheme will allow power generation operators to trade electricity they generate on the wholesale electricity market or through negotiated transactions, while providing the electricity by adding the difference (premium) between the base price (FIP price) (fixed) and the price based on the market price (reference price) (fixed for a certain period and variable in the long term). The premium is defined in the Revised Act as “supply promotion subsidy” (fixed for a certain period and variable in the long term). Projects subject to the FIP scheme are defined as “category of facilities eligible for subsidy” in the Revised Act. However, the types of projects that will fall under “category of facilities eligible for subsidy” shall be determined in a public notice by the Minister of Economy, Trade and Industry. According to the Interim Report publicized in February 2020 by the Subcommittee on System Reform for Renewable Energy as Main Power Source under the Strategic Policy Committee of the Advisory Committee for Natural Resources and Energy, the FIP scheme shall cover “power sources anticipated to grow into competitive sources of electricity (competitive power sources)” or “power sources with the generation

costs steadily decreasing or power sources usable as inexpensive sources of electricity.” More specifically, the report suggests “large-scale, commercial-use solar power generation and wind power generation, etc.”

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

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

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

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

As a result, the number of already acquired assets stood at six properties as of the end of the interim period under review (total solar module output of 40.2MW and total price (Note 6) of 17,491 million yen).

- (Note 1) “Renewable energy power generation facilities” refers to facilities for generating electricity from renewable energy (as specified in Article 2 (3) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011, as amended) (excluding properties regarded as real estate), the same shall apply hereinafter), real estate associated with or related to renewable energy power generation facilities, the leasehold right and the superficies right of said real estate, and these properties and assets associated with or related to these properties under the laws of foreign countries. When renewable energy power generation facilities to be invested in, acquired and managed by EII are mentioned, “renewable energy power generation facilities” shall include facilities for generating electricity from renewable energy that underlie EII’s assets under management. Of the renewable energy power generation facilities, those that use sunlight as the energy source shall be referred to as “solar power generation facilities.” The same shall apply hereinafter.
- (Note 2) “Renewable energy” refers to sunlight, wind, hydroelectric energy, geothermal energy and biomass. The same shall apply hereinafter.
- (Note 3) “System restrictions” refers to restrictions generated to keep the balance of supply and demand of electricity in the overall system maintained through a combination of electric power facilities used for power generation, transmission, transformation, and distribution (hereinafter referred to as “electrical grid”).
- (Note 4) “Solar module output” refers to the output calculated by multiplying the rated output per solar module (maximum output in the use of the solar module; the same shall apply hereinafter) used at each solar plant by the total number of modules. The total solar module output is rounded to the first decimal place. The same shall apply hereinafter.
- (Note 5) “Acquisition price” refers to the transaction price (excluding outsourcing fees related to acquisition of assets and other acquisition expenses, property taxes, city planning taxes, consumption taxes and other fees and charges) as set forth in the sale and purchase agreement for each asset. The same shall apply hereinafter.
- (Note 6) “Price” refers to the valuation of already acquired properties excluding Nagasaki Kinkai Solar Power Plant, and the acquisition price for Nagasaki Kinkai Solar Power Plant, respectively. The valuation of already acquired assets excluding Nagasaki Kinkai Solar Power Plant uses the median value calculated by EII, pursuant to Article 41-1-1 of its articles of incorporation, from the valuation of each power plant in the range shown in the valuation report, with November 30, 2019, as the valuation date, obtained from PwC Sustainability LLC. Because there has been no material changes to certain valuation and the indicators deemed to appropriately reflect the market price since the valuation date of the said report, EII uses the valuation as of the date as the valuation at end of the interim period under review. The same shall apply hereinafter.

(c) Overview of Financing

In the interim period under review, EII borrowed 1,210 million yen (Term Loan C: borrowing amount of 605 million yen with May 2038 as the final repayment date, Term Loan D: borrowing amount of 605 million yen with May 2038 as the final repayment date) from Shinsei Bank, Limited on January 17, 2017, to partly fund the purchase of Nagasaki Kinkai Solar Power Plant (Note). EII also conducted scheduled repayment of 1,630 million yen including loans with consumption taxes payable and partial prepayment of 2 million yen using the insurance money received. As a result, the balance of borrowings as of May 31, 2020, was 10,742 million yen, with the ratio of interest-bearing debt to total assets (hereinafter referred to as “LTV”) standing at 55.4%.

Moreover, EII was assigned the following credit rating as of May 31, 2020.

<Credit rating>

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

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

(d) Overview of Business Performance and Cash Distributions

As a result of the above operations, EII posted operating revenue of 787 million yen, operating income of 156 million yen, ordinary income of 108 million yen, and interim net income of 108 million yen for the interim period under review.

EII shall not deliver cash distributions for the interim fiscal period as it settles accounts on a full-year basis and the Investment Trusts Act does not stipulate any interim dividend system for an investment corporation. EII will deliver cash distributions based on the financial results of the entire fiscal period (from December 1, 2019 to November 30, 2020). In doing so, pursuant to the policy on cash distributions (Article 47 of the articles of incorporation), 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). 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 return.

2) Outlook for the Second Half of the Fiscal Period

(a) New Property Acquisitions (External Growth)

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

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

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

(b) Management and Operations (Internal Growth)

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

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

(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 entire fiscal period ending November 2020 (from December 1, 2019 to November 30, 2020) as follows. For the assumptions of the management status, please refer to “Assumptions of Forecast of Management Status for the Entire Fiscal Period ending November 2020 (from December 1, 2019 to November 30, 2020)” below. The calculation period of EII shall be one year from December 1 of each year to November 30 of the following year. For investment units of an investment corporation, there is no such system equivalent to interim dividends of shares for general operating companies. Accordingly, EII shall conduct cash distributions to its unitholders only once a year when it has distributable profits, based on the audited financial statements.

Forecast of Management Status for the Entire Fiscal Period Ending November 2020 (from December 1, 2019 to November 30, 2020)

Operating revenue	1,570 million yen
Operating income	313 million yen
Ordinary income	216 million yen
Net income	214 million yen
Distribution per unit (excluding distribution in excess of earnings)	2,341 yen
Distribution in excess of earnings per unit	3,659 yen
Distribution per unit (including distribution in excess of earnings)	6,000 yen

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

Assumptions of Forecast of Management Status for the Entire Fiscal Period Ending November 2020
(from December 1, 2019 to November 30, 2020)

Item	Assumptions
Calculation period	Entire fiscal period ending November 2020: from December 1, 2019 to November 30, 2020 (366 days)
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> The total number of investment units issued and outstanding is assumed to be 91,825 units, which is the number as of July 15, 2020, and it is assumed that there will be no change in the number of units due to issuance of additional investment units, etc. through the end of November 2020. Distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit and distribution per unit (including distribution in excess of earnings) have been calculated based on the forecast total number of investment units issued and outstanding as of the end of the fiscal period (91,825 units).
Assets under management	<ul style="list-style-type: none"> It is assumed that there are six solar power plants, which EII owns as of July 15, 2020. 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, 2020. 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 rent indicated in the lease agreements for solar power generation facilities effective as of July 15, 2020 (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) from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 1) by a third party based on the annual hourly solar radiation database compiled by the New Energy and Industrial Technology Development Organization. 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 is calculated based on base rent only, assuming that no performance-linked rent accrues. For Nagasaki Kinkai Solar Power Plant, meanwhile, the rental business revenue is calculated using the base rent, which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note 2) x 90%, and adding the performance-linked rent, which is the amount obtained by subtracting taxes and dues from the amount equivalent to 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 assumed revenue from electricity sales based on forecast power generation (P50) refers to the assumed revenue from power generation calculated by multiplying the relevant output by the tariff. (Note 2) For Nagasaki Kinkai Solar Power Plant, the forecast power generation assumes the figure indicated in the “Power Plant Diagnosis Report” prepared by Mitsui Chemicals, Inc. on the premise of the figure calculated by reflecting power curtailment in the Kyushu Electric Power’s operation area to the relevant forecast power generation value (P50), and is different from each of the figures indicated in the “estimated annual power generation.” The same shall apply hereinafter. EII assumes that operating revenue comes from rental business revenue from the 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 by reflecting variable factors of expenses, based on the values shown in quotes obtained from subcontractors. Property taxes are expected to be 178 million yen for the entire fiscal period ending November 2020. For Nagasaki Kinkai Solar Power Plant acquired on January 17, 2020, EII will settle the property taxes for fiscal 2020 by prorating them for the period with the seller. The amount equivalent to such settlement will be included in the acquisition cost in the fiscal year of acquisition. Accordingly, the property taxes on this asset for the fiscal period ending November 2020 are not appropriated as expenses. Furthermore, the total settlement amount of the property taxes to be included in the acquisition cost of the asset is 15 million yen. Depreciation is calculated by the straight-line method including certain ancillary expenses and expected to be 836 million yen for the fiscal period ending November 2020.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing-related expenses are expected to be 97 million yen for the fiscal period ending November 2020.

Item	Assumptions
Borrowings	<ul style="list-style-type: none"> The total interest-bearing debt is assumed to be 10,409 million yen as of the end of the fiscal period ending November 2020. LTV is expected to be around 54.8% as of the end of the fiscal period ending November 2020. 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 November 2020 is projected to be at the level of around 6,000 yen, given the rental business revenue generated from the portfolio, the rental business expenses pertaining to the portfolio, the interest expenses for borrowings and other borrowing-related expenses, etc. Of the amount, distribution in excess of earnings per unit is assumed to be 3,659 yen. For the fiscal period ending November 2020, such distribution in excess of earnings is assumed to be the amount equivalent to 40.2% of depreciation. However, EII may not make cash distributions (refunds of investment) in excess of earnings, or may restrict them under the amounts mentioned earlier, upon consideration of other options, such as repair and capital expenditures in the case of the total depreciation, repayment of borrowings, appropriation to funds for the acquisition of new properties, and the acquisition of treasury investment units, by comprehensively considering the economic environment, the market environment relating to the renewable energy-related businesses, the financial positions of EII, and other circumstances. Cash distributions in excess of earnings (refund of investment) involve a decrease in cash on hand, and thus if capital expenditures beyond the expectations of EII are required due to any sudden events or other causes, there is a possibility of a shortage of cash on hand or a restriction on the flexible acquisition of properties in terms of funds. In addition, in the case of cash distribution (refund of investment) in excess of earnings, the amount of such distribution will be deducted from the unitholders' capital or the capital surplus. As described in the column "Operating expenses" above, depreciation is calculated by the straight-line method including certain ancillary expenses and expected to be 836 million yen for the fiscal period ending November 2020. For the fiscal period ending November 2020, 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) Interim Balance Sheets

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2019)	Interim period under review (as of May 31, 2020)
Assets		
Current assets		
Cash and deposits	*1 943,071	*1 526,548
Operating accounts receivable	*1 110,183	*1 179,862
Prepaid expenses	29,513	38,293
Consumption taxes receivable	1,219,219	48,321
Other	-	240
Total current assets	2,301,988	793,266
Non-current assets		
Property, plant and equipment		
Machinery and equipment	16,749,935	17,853,220
Accumulated depreciation	(661,144)	(1,076,778)
Machinery and equipment, net	*1 16,088,791	*1 16,776,441
Total property, plant and equipment	16,088,791	16,776,441
Intangible assets		
Leasehold rights	*1 1,378,753	*1 1,440,541
Trademark right	734	693
Software	5,846	5,686
Total intangible assets	1,385,334	1,446,921
Investments and other assets		
Guarantee deposits	70,000	70,000
Long-term prepaid expenses	249,955	293,170
Deferred tax assets	32	10
Total investments and other assets	319,987	363,180
Total non-current assets	17,794,113	18,586,544
Total assets	20,096,101	19,379,810
Liabilities		
Current liabilities		
Current portion of long-term borrowings	*1 1,900,866	*1 670,660
Operating accounts payable	1,741	97,544
Accounts payable - other	39,569	62,399
Income taxes payable	1,876	818
Accrued expenses	435	672
Other	547	947
Total current liabilities	1,945,035	833,042
Non-current liabilities		
Long-term borrowings	*1 9,265,052	*1 10,071,950
Asset retirement obligations	465,894	495,744
Total non-current liabilities	9,730,946	10,567,694
Total liabilities	11,675,981	11,400,736

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2019)	Interim period under review (as of May 31, 2020)
Net assets		
Unitholders' equity		
Unitholders' capital	8,121,664	8,121,664
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	-	*3 (18,365)
Other deduction from unitholders' capital	-	(232,317)
Total deduction from unitholders' capital	-	(250,682)
Unitholders' capital, net	8,121,664	7,870,981
Surplus		
Unappropriated retained earnings (undisposed loss)	298,455	108,092
Total surplus	298,455	108,092
Total unitholders' equity	8,420,119	7,979,074
Total net assets	*2 8,420,119	*2 7,979,074
Total liabilities and net assets	20,096,101	19,379,810

(2) Interim Statements of Income

(Unit: thousand yen)

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Operating revenue		
Rent revenue - renewable energy power generation facilities	*1 518,574	*1 787,499
Total operating revenue	518,574	787,499
Operating expenses		
Rent expenses - renewable energy power generation facilities	*1, *2 292,758	*1, *2 547,609
Asset management fee	18,450	30,895
Asset custody fees and administrative service fees	2,877	14,594
Directors' compensation	4,200	4,200
Other operating expenses	7,895	33,787
Total operating expenses	326,181	631,087
Operating income	192,392	156,411
Non-operating revenues		
Interest income	0	5
Interest on tax refund	1	1,443
Total non-operating revenues	1	1,448
Non-operating expenses		
Interest expenses	24,676	42,543
Borrowing related expenses	2,492	6,506
Investment unit issuance expenses	39,598	-
Total non-operating expenses	66,766	49,050
Ordinary income	125,626	108,809
Interim net income before income taxes	125,626	108,809
Income taxes – Current	627	719
Income taxes – Deferred	4,814	22
Total income taxes	5,441	741
Interim net income	120,185	108,068
Retained earnings (deficit) brought forward	(10,524)	24
Unappropriated retained earnings (undisposed loss)	109,661	108,092

(3) Interim Statements of Changes in Net Assets

Previous interim period (from December 1, 2018 to May 31, 2019)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of the period	100,000	(10,524)	(10,524)	89,475	89,475
Change during the interim period					
Issuance of new investment units	8,021,664			8,021,664	8,021,664
Interim net income		120,185	120,185	120,185	120,185
Total changes of items during the interim period	8,021,664	120,185	120,185	8,141,849	8,141,849
Balance at end of the interim period	8,121,664	109,661	109,661	8,231,325	8,231,325

Interim period under review (from December 1, 2019 to May 31, 2020)

(Unit: thousand yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital, net
		Reserve for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital	
Balance at beginning of the period	8,121,664	-	-	-	8,121,664
Change during the interim 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)
Interim net income					
Total changes of items during the interim period	-	(18,365)	(232,317)	(250,682)	(250,682)
Balance at end of the interim 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 the interim 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)
Interim net income	108,068	108,068	108,068	108,068
Total changes of items during the interim period	(190,362)	(190,362)	(441,045)	(441,045)
Balance at end of interim period	108,092	108,092	7,979,074	7,979,074

(4) Interim Statements of Cash Flows

(Unit: thousand yen)

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Cash flows from operating activities		
Interim net income before income taxes	125,626	108,809
Depreciation	264,457	415,634
Investment unit issuance expenses	39,598	-
Interest income	(0)	(5)
Interest expenses	24,676	42,543
Decrease (increase) in operating accounts receivable	(169,469)	(69,678)
Decrease (increase) in accounts receivable - other	(5,221)	-
Decrease (Increase) in consumption taxes receivable	(1,276,524)	1,170,897
Decrease (increase) in prepaid expenses	(27,519)	(8,779)
Decrease (increase) in long-term prepaid expenses	(230,770)	(43,214)
Increase (decrease) in operating accounts payable	-	68,537
Increase (Decrease) in accounts payable - other	21,181	19,140
Other	1,225	960
Subtotal	(1,232,739)	1,704,844
Interest income received	0	5
Interest expense paid	(24,676)	(42,306)
Income taxes paid	(45)	(1,776)
Net cash provided by (used in) operating activities	(1,257,460)	1,660,765
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,270,044)	(1,046,169)
Purchase of intangible assets	(1,386,164)	(61,787)
Payments for guarantee deposits	(60,000)	-
Net cash provided by (used in) investing activities	(17,716,209)	(1,107,957)
Cash flows from financing activities		
Proceeds from long-term borrowings	11,771,206	1,210,000
Repayments of long-term borrowings	(302,644)	(1,633,308)
Proceeds from issuance of investment units	7,986,065	-
Distributions paid	-	(546,023)
Net cash provided by (used in) financing activities	19,454,627	(969,331)
Net increase (decrease) in cash and cash equivalents	480,958	(416,523)
Cash and cash equivalents at beginning of period	57,013	943,071
Cash and cash equivalents at end of interim period	*1 537,971	*1 526,548

(5) Notes to Going Concern Assumption

Not applicable.

(6) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property, plant and equipment The straight-line method is adopted. The useful lives of major categories of property, plant and equipment are as follows: Machinery and equipment 186 to 264 months</p> <p>(2) Intangible assets The straight-line method is adopted. The useful lives of intangible assets are as follows: Trademark right 10 years Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
2. Accounting for deferred assets	<p>Investment unit issuance expenses Investment unit issuance expenses are fully recognized as expenses when they accrue.</p>
3. Standards for recognition of revenue and expenses	<p>Accounting for property taxes With respect to property taxes, city planning taxes and depreciable asset taxes, etc. on the owned renewable energy power generation facilities, EII uses the method of charging the corresponding amounts of assessed taxes to the relevant calculation period as rental expenses. The amount equivalent to property taxes, etc. for the initial fiscal year to be borne by EII in accordance with the acquisition of renewable energy power generation facilities are not expensed but capitalized in the acquisition costs of the relevant renewable energy power generation facility. The amount equivalent to property taxes, etc. capitalized in the acquisition costs of renewable energy power generation facilities in the interim period under review is 15,495 thousand yen.</p>
4. Range of funds (cash and cash equivalents) on the Interim Statements of Cash Flows	<p>The funds (cash and cash equivalents) in the Interim Statements of Cash Flows consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.</p>
5. Method of hedge accounting	<p>(1) Method of hedge accounting Special accounting is applied for interest rate swap transactions that satisfy the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Hedged items Interest rates on borrowings</p> <p>(3) Hedging policy EII conducts derivative transactions to hedge the risks set forth in its articles of incorporation based on the risk management regulations.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness of hedging is omitted as requirements are satisfied for special accounting for interest rate swap transactions.</p>
6. Other significant matters serving as the basis for preparation of interim financial statements	<p>Accounting for consumption taxes Consumption taxes and local consumption taxes are excluded from the corresponding transaction amount.</p>

(7) Notes to Interim Financial Statements

(Notes to Interim Balance Sheets)

*1. Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2019)	Interim period under review (as of May 31, 2020)
Cash and deposits	943,071	520,718
Operating accounts receivable	110,183	179,862
Machinery and equipment	16,088,791	16,776,441
Leasehold rights	1,378,753	1,440,541
Total	18,520,799	18,917,564

Secured liabilities are as follows:

(Unit: thousand yen)

	Previous fiscal period (as of November 30, 2019)	Interim period under review (as of May 31, 2020)
Current portion of long-term borrowings	1,900,866	670,660
Long-term borrowings	9,265,052	10,071,950
Total	11,165,918	10,742,610

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

Previous fiscal period
(as of November 30, 2019)

Interim period under review
(as of May 31, 2020)

50,000 thousand yen

50,000 thousand yen

*3. Reserve for temporary difference adjustments

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

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

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

2. Specific method of reversal

Machinery and equipment

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

Interim period under review (from December 1, 2019 to May 31, 2020)

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

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

2. Specific method of reversal

Machinery and equipment

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

(Notes to Interim Statements of Income)

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

	(Unit: thousand yen)	
	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
A. Operating revenue from the rental business of renewable energy power generation facilities		
Rent revenue - renewable energy power generation facilities		
(Base rent)	518,127	781,720
(Performance-linked rent)	446	-
(Incidental income)	-	5,778
Total revenue from the rental business of renewable energy power generation facilities	518,574	787,499
B. Operating expenses from the rental business of renewable energy power generation facilities		
Rent expenses - renewable energy power generation facilities		
(Taxes and dues)	-	80,908
(Insurance expenses)	3,310	4,714
(Repair expenses)	173	603
(Depreciation)	264,457	415,634
(Rent expenses on land and buildings)	24,716	43,532
(Other expenses)	100	2,217
Total expenses from the rental business of renewable energy power generation facilities	292,758	547,609
C. Revenue and expenses from the rental business of renewable energy power generation facilities (A-B)	225,815	239,890

*2. The amount of accrued depreciation is as follows.

(Unit: thousand yen)

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Property, plant and equipment	264,457	415,634

(Notes to Interim Statement of Changes in Unitholders' Equity)

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Total number of authorized investment units and the 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	91,825 units

(Notes to Interim Statements of Cash Flows)

- *1. Relationship between the balance of cash and cash equivalents as of the end of the interim period under review and the amounts on the interim balance sheets

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Cash and deposits	537,971	526,548
Cash and cash equivalents	537,971	526,548

- *2. Important non-financial transactions
Amount of newly recorded significant asset retirement obligations

(Unit: thousand yen)

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Amount of significant asset retirement obligations	465,894	29,850

(Notes to Financial Instruments)

Matters concerning fair value of financial instruments

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

(Unit: thousand yen)

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

With respect to long-term borrowings 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 borrowings with variable interest rates that are subject to special accounting for interest rate swaps (refer to the "Notes to Derivative Transactions" below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps as one by the reasonably estimated rate applicable in the event of a new drawdown of similar loans.

- (5) Derivative transactions

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

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

(Unit: thousand yen)

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

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

(Unit: thousand yen)

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

The table below shows the book values of financial instruments as recorded on the Interim Balance Sheets, the corresponding fair values, and the difference between these amounts for the previous fiscal period (as of May 31, 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)

	Interim book value	Fair value (Note 1)	Difference
(1) Cash and deposits	526,548	526,548	-
(2) Operating accounts receivable	179,862	179,862	-
Total assets	706,411	706,411	-
(3) Current portion of long-term borrowings	670,660	678,495	7,835
(4) Long-term borrowings	10,071,950	10,189,484	117,534
Total liabilities	10,742,610	10,867,980	125,370
(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 borrowings and (4) Long-term borrowings

With respect to long-term borrowings 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 borrowings with variable interest rates that are subject to special accounting for interest rate swaps (refer to the "Notes to Derivative Transactions" below) is calculated by discounting the total amount of principal and interest treated together with the said interest rate swaps as one by the reasonably estimated rate applicable in the event of a new drawdown of similar loans.

(5) Derivative transactions

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

(Note 2) Scheduled redemption amounts of monetary receivables after the interim closing date (May 31, 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	526,548	-	-	-	-	-
(2) Operating accounts receivable	179,862	-	-	-	-	-
Total	706,411	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term borrowings after the interim closing date (May 31, 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 borrowings	670,660	-	-	-	-	-
(4) Long-term borrowings	-	670,660	670,660	670,660	670,660	7,389,310
Total	670,660	670,660	670,660	670,660	670,660	7,389,310

(Notes to Derivative Transactions)

1. Derivatives to which hedge accounting is not applied

Previous fiscal period (as of November 30, 2019) and interim period under review (as of May 31, 2020)

Not applicable.

2. Derivatives to which hedge accounting is applied

Previous fiscal period (as of November 30, 2019)

(Unit: thousand yen)

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

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term borrowings and the long-term borrowings to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (3) Current portion of long-term borrowings and (4) Long-term borrowings in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

Interim period under review (as of May 31, 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 borrowings	5,372,505	5,037,175	(Note)	-

(Note) Those that are subject to special accounting for interest rate swaps are treated together with the current portion of long-term borrowings and the long-term borrowings to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (3) Current portion of long-term borrowings and (4) Long-term borrowings in Notes to Financial Instruments, Matters concerning fair value of financial instruments.

(Notes to Rental Properties)

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

(Unit: thousand yen)

	Previous fiscal period From December 1, 2018 to November 30, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Interim book value (Book value)		
Balance at beginning of period	-	17,467,544
Change during the period	17,467,544	749,438
Balance at end of (interim) period	17,467,544	18,216,982
Valuation at end of (interim) period	16,394,500	17,475,500

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

(Note 2) The (interim) 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 five plants of solar power generation facilities (18,128,688 thousand yen), and the amount of decrease is primarily attributable to depreciation. Of the amount of change during the interim period under review, the amount of increase is primarily attributable to acquisition of Nagasaki Kinkai Solar Power Plant (1,163,007 thousand yen), and the amount of decrease is primarily attributable to depreciation.

(Note 4) The valuation at end of the previous period indicates the total median value calculated by EII, pursuant to Article 41-1-1 of its articles of incorporation, from the appraisal value in the range (from 14,347,000 thousand yen to 18,442,000 thousand yen) shown in the valuation report obtained from PwC Sustainability LLC. The valuation at end of (interim) 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 15,291,000 thousand yen to 19,660,000 thousand yen) shown in the valuation report obtained from PwC Sustainability LLC. The valuation date of the valuation report is October 31, 2019, for Nagasaki Kinkai Solar Power Plant and November 30, 2019, for the already acquired assets excluding Nagasaki Kinkai Solar Power Plant. Because there have been no material changes to certain valuation and the indicators deemed to appropriately reflect the market price since these valuation dates, EII uses the valuation as of the dates as the valuation at end of the interim period under review.

The revenue and expenses of the renewable energy power generation facilities are stated in “Notes to Interim 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 interim period (from December 1, 2018 to May 31, 2019)

1. Information by product and service

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

(2) Property, plant and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the Interim Balance Sheets.

3. Information on major customers

(Unit: thousand yen)

Name of customer	Operating revenue	Name of related segment
Sunrise Megasolar Godo Kaisha	175,371	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	21,017	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	24,937	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	12,905	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	284,341	Rental business of renewable energy power generation facilities

Interim period under review (from December 1, 2019 to May 31, 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 Interim 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 Interim Statements of Income.

(2) Property, plant and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the Interim Balance Sheets.

3. Information on major customers

(Unit: thousand yen)

Name of customer	Operating revenue	Name of related segment
Sunrise Megasolar Godo Kaisha	266,077	Rental business of renewable energy power generation facilities
Daini Chiyoda Kogen Taiyoko Godo Kaisha	27,169	Rental business of renewable energy power generation facilities
Hofu Solar Power Generation Godo Kaisha	34,090	Rental business of renewable energy power generation facilities
Kusu Solar Power Generation Godo Kaisha	17,385	Rental business of renewable energy power generation facilities
SOLAR ENERGY Hokota Godo Kaisha	410,432	Rental business of renewable energy power generation facilities
Kitakyushu Solar Power Generation Godo Kaisha	32,342	Rental business of renewable energy power generation facilities

(Notes to Per Unit Information)

	Previous fiscal period (as of November 30, 2019)	Interim period under review (as of May 31, 2020)
Net assets per unit	91,697 yen	86,894 yen

The basis of calculation of interim net income per unit is as follows.

	Previous interim period From December 1, 2018 to May 31, 2019	Interim period under review From December 1, 2019 to May 31, 2020
Interim net income per unit (yen)	2,174	1,176
Interim net income (thousand yen)	120,185	108,068
Amount not attributable to common unitholders (thousand yen)	-	-
Interim net income per unit attributable to common investment units (thousand yen)	120,185	108,068
Average number of investment units during the period (units)	55,263	91,825

(Note 1) The interim net income per unit is calculated by dividing interim net income by the day-weighted average number of investment units.

(Note 2) Diluted net income per unit for the interim period is not stated because there are no dilutive investment units. Furthermore, the interim net income per unit is 1,311 yen when calculated using the day-average weighted number of investment units (91,611 units) with February 13, 2019, when asset management practically started, deemed as the beginning of the period.

(Notes to Significant Subsequent Events)

Not applicable.

(Omission of Disclosure)

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

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

Changes in the unitholders' capital and the total number of investment units issued and outstanding from the establishment of EII to May 31, 2020, are as follows.

Date	Event	Unitholders' capital (million yen)		Total number of investment units issued and outstanding (units)		Remarks
		Change	Balance	Change	Balance	
August 3, 2018	Establishment upon private placement	100	100	1,000	1,000	(Note 2)
February 12, 2019	Capital increase through public offering	7,948	8,048	90,000	91,000	(Note 3)
March 13, 2019	Capital increase through third-party allotment	72	8,121	825	91,825	(Note 4)
February 21, 2020	Cash distributions in excess of earnings (Refund of investment)	(232)	7,889	-	91,825	(Note 5)

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

(Note 2) Initially, EII was established with 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 (excluding distribution in excess of earnings from reserve for temporary difference adjustments) as cash distribution for the 2nd fiscal period ended November 2019, and started payment of the distribution on February 21, 2020.

3. Reference Information

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

1. Conditions of Investment

Asset type	Category of investment area (Note 1)	2nd fiscal period (as of November 30, 2019)		Interim period of the 3rd fiscal period (as of May 31, 2020)	
		Total owned assets (million yen) (Note 2)	Ratio to total assets (%)	Total owned assets (million yen) (Note 2)	Ratio to total assets (%)
Renewable energy power generation facilities	Kanto region	14,534	72.3	14,178	73.2
	Chugoku region	1,226	6.1	1,199	6.2
	Kyushu/Okinawa region	327	1.6	1,398	7.2
Subtotal		16,088	80.1	16,776	86.6
Leasehold rights	Kanto region	1,284	6.4	1,284	6.6
	Chugoku region	84	0.4	84	0.4
	Kyushu/Okinawa region	10	0.1	72	0.4
Subtotal		1,378	6.9	1,440	7.4
Renewable energy power generation facilities and leasehold rights	Kanto region	15,818	78.7	15,463	79.8
	Chugoku region	1,310	6.5	1,283	6.6
	Kyushu/Okinawa region	337	1.7	1,470	7.6
Subtotal		17,467	86.9	18,216	94.0
Deposits and other assets		2,628	13.1	1,162	6.0
Total assets (Note 3)		20,096	100.0	19,379	100.0

	Amount (million yen)	Ratio to total assets (%)	Amount (million yen)	Ratio to total assets (%)
Total liabilities (Note 3)	11,675	58.1	11,400	58.8
Total net assets (Note 3)	8,420	41.9	7,979	41.2
Total assets (Note 3)	20,096	100.0	19,379	100.0

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

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

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

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

(Note 2) "Total owned assets" is based on the book value recorded on the (Interim) Balance Sheets (book value after depreciation) as of the end of the (interim) period.

(Note 3) "Total assets," "total liabilities," and "total net assets" indicate the amounts stated in the (Interim) Balance Sheets as of the end of the (interim) 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 May 31, 2020.

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

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

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

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

(Note 4) “Area” is based on the description in the register and may be different from the actual area. The area of the Takahagi Solar Power Plant excludes part of the land where an overbridge is located and the land for which EII has obtained the right of use as an approach path. For the Chiyoda Kogen Solar Power Plant, the leasehold right and the easement have been established to part of the adjacent land for the purpose of passing. The area includes the site area to which this leasehold right has been established, but excludes the area of the site to which the easement has been established. For the Nagasaki Kinkai Solar Power Plant, the area excludes part of the land where power transmission equipment exists, the site for which EII has obtained the right of use as an approach path, and the land for which an easement has been established for the purpose of installing and using buried cables.

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

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

Property No.	Property name	Power generation operator (Note 1)	Electricity utilities (Note 2)	Acquisition price (million yen)	Valuation at end of the interim 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 interim period (million yen) (Note 5)
S-01	Takahagi Solar Power Plant	Sunrise Megasolar Godo Kaisha	TEPCO Energy Partner, Incorporated	5,305	5,509	5,295	4,946
						214	224
S-02	Chiyoda Kogen Solar Power Plant	Daini Chiyoda Kogen Taiyoko Godo Kaisha	The Chugoku Electric Power Co., Inc.	590	553	534	575
						19	22
S-03	JEN Hofu Solar Power Plant	Hofu Solar Power Generation Godo Kaisha	The Chugoku Electric Power Co., Inc.	680	688	627	623
						61	61
S-04	JEN Kusu Solar Power Plant	Kusu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	324	308	300	316
						7	10
S-05	Hokota Solar Power Plant	SOLAR ENERGY Hokota Godo Kaisha	TEPCO Energy Partner, Incorporated	10,514	9,335	8,295	9,232
						1,040	1,059
S-06	Nagasaki Kinkai Solar Power Plant	Kitakyushu Solar Power Generation Godo Kaisha	Kyushu Electric Power Co., Inc.	1,097	1,081	1,022	1,082
						58	61
Total				18,510	17,475	16,074	16,776
						1,400	1,440

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

(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 interim period” indicates the median value (rounded down to the nearest million yen) calculated by EII, pursuant to Article 41-1-1 of its articles of incorporation, from the appraisal value (valuation including renewable energy power generation facilities, real estate, and the leasehold right or the superficies of the real estate altogether as one) in the range shown in the valuation report obtained from PwC Sustainability LLC. The valuation date of the valuation report is October 31, 2019, for Nagasaki Kinkai Solar Power Plant and November 30, 2019, for the already acquired assets excluding Nagasaki Kinkai Solar Power Plant. Because there has been no material changes to certain valuation and the indicators deemed to appropriately reflect the market price since these valuation dates, EII uses the valuation as of the dates as the valuation at end of the interim period.

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

of the end of the interim period under review indicated in (Note 3) above. The lower field indicates the amounts (rounded down to the nearest million yen) shown in the real estate appraisal reports prepared by Land Coordinating Research, Inc., Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd. or Japan Real Estate Institute. Real estate includes the superficies right or leasehold right of the relevant real estate. The valuation date of the real estate appraisal report is November 30, 2019 (however, December 1, 2019, for S-06). Because there have been no material changes to certain valuation and the indicators deemed to appropriately reflect the market price since the valuation date, EII indicates the valuation as of the date as the valuation at end of the interim period under review.

(Note 5) For “Book value at end of the interim period,” the upper field indicates the book value of the renewable energy power generation facilities as of the end of the interim period under review, and the lower field indicates the book value of real estate as of the end of the interim period under review, all rounded down to the nearest million yen. Real estate includes the superficies right or leasehold right of the relevant real estate.

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

The following table provides revenue and expenses of EII’s individual renewable energy power generation facilities in the interim period under review (from December 1, 2019 to May 31, 2020).

(Unit: thousand yen)

Property No.		S-01	S-02	S-03	S-04
Property name	Entire portfolio	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	781,720	266,077	27,169	34,090	17,385
Incidental income	5,778	-	-	-	-
Rent revenue – renewable energy power generation facilities (A)	787,499	266,077	27,169	34,090	17,385
Rent expenses - renewable energy power generation facilities					
taxes and dues	80,908	20,095	3,216	3,493	1,793
Insurance expenses	4,714	1,222	405	220	493
Repair expenses	603	-	603	-	-
Depreciation	415,634	126,827	14,724	15,092	11,165
Rent expenses on land and buildings	43,532	19,974	1,770	3,948	822
Other expenses	2,217	-	-	-	-
Rent expenses - renewable energy power generation facilities (B)	547,609	168,121	20,719	22,755	14,274
Rent income (loss) from renewable energy power generation facilities (A-B)	239,890	97,956	6,449	11,335	3,111

Property No.	S-05	S-06
Property name	Hokota Solar Power Plant	Nagasaki Kinkai Solar Power Plant
Rent revenue - renewable energy power generation facilities		
Base rent	404,654	32,342
Incidental income	5,778	-
Rent revenue – renewable energy power generation facilities (A)	410,432	32,342
Rent expenses - renewable energy power generation facilities		
taxes and dues	52,309	-
Insurance expenses	2,066	304
Repair expenses	-	-
Depreciation	228,902	18,921
Rent expenses on land and buildings	15,020	1,995
Other expenses	2,217	-
Rent expenses - renewable energy power generation facilities (B)	300,517	21,221
Rent income (loss) from renewable energy power generation facilities (A-B)	109,915	11,120

(Note) The duration of the interim period under review is 183 days, but the management period of Nagasaki Kinkai Solar Power Plant in practice is 136 days as EII acquired the property on January 17, 2020.

(2) Status of Capital Expenditures

1) Planned capital expenditures

Not applicable.

2) Capital expenditures during the interim fiscal period

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

Property No.	Property name	Location	Purpose	Period	Paid amount (thousand yen)
S-02	Chiyoda Kogen Solar Power Plant	Kitahiroshima-cho, Yamagatagun, Hiroshima	Work on power control devices	From February 2020 to March 2020	2,065