Canadian Solar Infrastructure Fund, Inc.

9284 (TSE Infrastructure)

Company Report

March 14, 2025

Strategy Advisors, Inc.
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Strategy Advisors

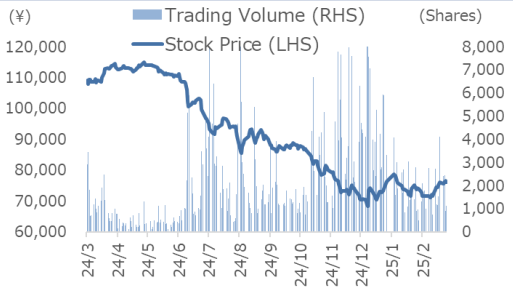
Outperformance of its Competitors in 2025 is Likely to Continue

Canadian Solar Infrastructure Fund, Inc. ("CSIF") is sponsored by the Canadian Solar Inc (NASDAQ CSIQ) Group, the world's fifth largest panel manufacturer. CSIF's annual PV output capacity growth rate is about 20%, over twice the growth rate of the overall domestic market. CSIF's current total capacity is 245MW (0.3% of the domestic total), including the CS Hiroshima Suzuhari Power Plant (17MW) acquired in January 2025.

For FY24/12, sales were ¥4.455 bn (-2% YoY), operating profit margin was 38% and net income margin was 33%. CSIF's book value per share (BPS) has remained stable at about ¥102,000, while its stock price has been on a downward trend along with peers since reports emerged in June that the government was discussing making solar panel recycling mandatory and as a result its PBR, which was around 1.0, fell to 0.7 at the end of 2024. However, in 2025, it is expected to bottom out at around 0.7, outperforming its competitors, who continue to decline. The undervaluation of CSIF, as compared with its BPS-inclusive yield, has been corrected, with each company generally at a level of 7-8%. However, the BPS-inclusive yield forecast based on future dividend forecasts shows that CSIF is once again undervalued and CSIF's stock price may continue to remain strong compared to its competitors.

Peers are Enex Infrastructure Investment Corporation (TSE 9286) (total output capacity: 243 MW), Japan Infrastructure Fund Investment Corporation (9287) (185 MW), Tokyo Infrastructure Energy Investment Corporation (9285) (70 MW) and Ichigo Green Infrastructure Investment Corporation (9282) (29 MW). Most of these firms have a PBR below 0.6 and their yield including BPS change is generally 7-8%. CSIF's PBR is 0.7x, the highest level among its competitors, but it can maintain a yield of 8% at the same time; because it can fully utilize the knowledge of the Canadian Solar Group, which has all functions of panel manufacturing, solar power plant development and operations. Since the sponsors of peers belong to industries like trading or financing, it is difficult for peers to achieve the higher dividend yields of CSIF.

Stock Price and Volumes



Source: Strategy Advisors

Key Indicators

Stock Price (3/13)	¥75,000
Year-to-Date High (1/6)	¥78,800
Year-to-Date Low (2/12)	¥71,200
52-Week High (24/4/30)	¥114,900
52-Week Low (24/12/11)	¥68,400
Number of Shares Issued ('000)	440.0
Market Capitalization (¥ bn)	33.0
EV (¥ bn)	71.8
Capital Adequacy Ratio	50.2
PER (FY24/12 CoE, Times)	-
PBR (FY24/6 Actual, Times)	0.8
Yield (FY24/12 Coe, %)	-

Source: Strategy Advisors

Japanese GAAP

FY End	Sales (¥ mn)	YoY (%)	OP (¥ mn)	YoY (%)	RP (¥ mn)	YoY (%)	NP (¥ mn)	YoY (%)	EPS (¥)	DPS (¥)
24/6	4,368	26.5	1,608	39.1	1,362	35.7	1,361	35.7	3,012	3,775
24/12	4,455	-1.8	1,687	-8.7	1,454	4.8	1,453	4.8	3,256	3,310
24/6 CoE	4,683	7.2	1,774	10.3	1,320	-3.1	1,319	-3.1	2,988	3,281
25/12 CoE	4,625	3.8	1,710	1.4	1,420	-2.3	1,419	-2.3	3,227	3,227
26/6 CoE	4,639	-0.9	1,732	-2.4	1,457	10.4	1,456	10.4	3,309	3,309

Source: Strategy Advisors. Based on Company Data

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Executive Summary

Infrastructure Fund with the Largest Panel Output Capacity Growing at 2x the Market

CSIF is an infrastructure fund listed in 2017 and sponsored by Canadian Solar Group, the world's fifth largest solar panel manufacturer. Its output capacity growth rate has been about 20% per year, more than double the growth rate of the country as a whole (about 7-10%), and its total output capacity at the end of FY24/12 was 245MW (about 0.3% of the country's total), including the CS Hiroshima Suzuhari Power Plant (17 MW) acquired in January 2025. With this asset acquisition, CSIF has overtaken Enex Infrastructure Investment Corporation, making it the largest listed infrastructure investment corporation.

Following Reports that Mandatory Panel Recycling is Being Considered, Stock Prices Across the Industry Fell Till the End of 2024

For the fiscal year ended December 2024 (six-month settlement), net sales were ¥4.455 bn (-2% YoY), operating profit margin was 38% and net income margin was 33%. CSIF's book value per share (BPS) has remained stable at about ¥102,000, while its stock price has been on a downward trend along with peers since reports emerged in June that the government was discussing making solar panel recycling mandatory and its PBR, which was around 1.0, fell to 0.7 at the end of 2024.

The Outperformance of its Competitors Since the Start of the New Year is Likely to Continue

However, in 2025, it is expected to bottom out at around 0.7, outperforming its competitors, who continue to decline. The undervaluation of CSIF, as compared with its BPS-inclusive yield, has been corrected, with each company generally at a level of 7-8%. However, the BPS-inclusive yield forecast based on future dividend forecasts shows that CSIF is once again undervalued and CSIF's stock price may continue to remain strong compared to its competitors.

* Yield including BPS change = dividend yield + (BPS change rate ÷ PBR). As the denominator of the BPS change rate is net assets per share (BPS), we divided it by PBR to add it to dividend yield.

CSIF's PBR is 0.7x, while Most of its Peers are below 0.6x

Peer companies are Enex Infrastructure Investment Corporation (total output capacity 243 MW), Japan Infrastructure Fund Investment Corporation (185 MW), Tokyo Infrastructure Energy Investment Corporation (70 MW) and Ichigo Green Infrastructure Investment Corporation (29 MW). Most of the stock prices are currently below PBR 0.6 and yield including BPS changes are roughly 7-8%.

Only CSIF Can Take Full Advantage of their Panel Manufacturer's Knowledge

The reason why CSIF's PBR is 0.7 times, the highest among its peers, while at the same time maintaining an 8% yield is because it can fully utilize the knowledge of the Canadian Solar Group, which has all the functions of panel manufacturing, solar power plant development and operations. Since the sponsors of other companies in the industry include trading companies and financial-related companies, it is difficult for them to achieve high dividend yields through mimicking the company's business structure.

Asset Doubling Plan Backed by a Concrete Development Pipeline

The company aims to triple its asset size to ¥300bn in the medium term, with a view to acquiring 16 properties (257 MW) that have been developed or are currently under development by the sponsor (*CS Hiroshima Suzuhari Power Plant (17MW) which was acquired in January 2025.

These have been transferred from pipeline to existing ownership, so the figures differ from those in the financial results presentation materials as of the end of December 2024), as well as two properties (46 MW) that have already been developed by third parties.

In addition, there has been an increase in the number of cases of the sale of power plants by individuals who are put-off by the maintenance burden due to increased output curtailment and deterioration over time and also by foreign companies who have decided to withdraw from development due to a decline in FIT prices or termination and the expansion of asset scale through the acquisition of such power plants is one of the options.

Earnings and Stock Price Outlook

As mentioned above, the forecast of the yield including the change in BPS based on the future dividend forecast makes CSIF seem undervalued again and CSIF's stock price may continue to be strong compared to its peers. In addition, CSIF expects to maintain the same level of sales, profit and dividends as in FY24/12 for the next three fiscal years through FY6/2026; but these figures do not include additional asset acquisitions and sales and profit levels that will swing upward if asset acquisitions are made. CSIF also aims to triple its asset size to ¥300bn in the medium term. Expanding the asset size can lead to improved profitability through more efficient power plant O&M, lower borrowing interest rates due to increased creditworthiness, stabilization of the portfolio and increased tolerance for additional large-scale power plant acquisitions.

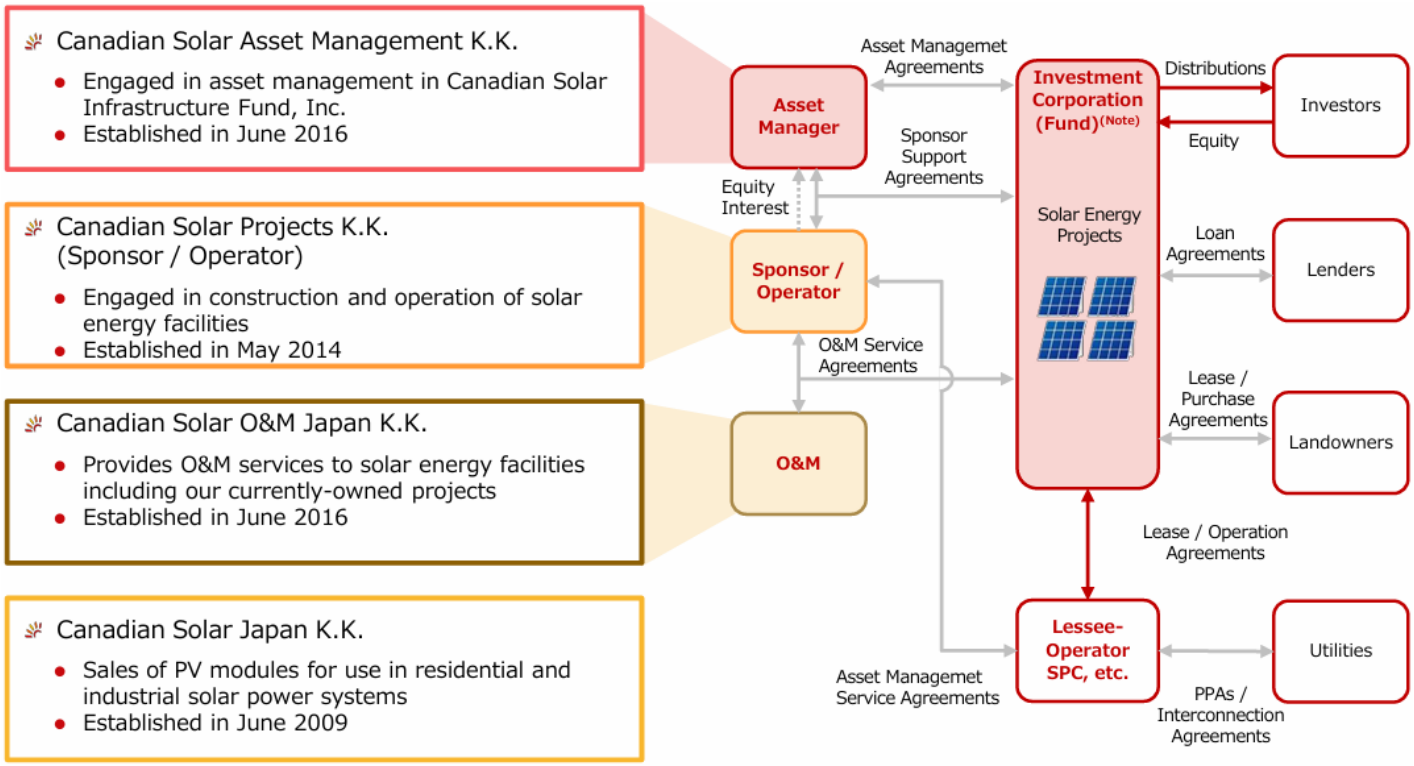
1. Investment Corporation Overview

1) Infrastructure Fund with the Second Largest Panel Output Capacity Growing at Twice the Speed of the Market

Achieve the Only Vertically Integrated Model

CSIF is an infrastructure fund that listed on the TSE on October 30, 2017. An infrastructure fund is a structure whereby funds collected from multiple investors are used to purchase infrastructure facilities such as power plants, which are then leased out and rental fees are received. The "sponsor" establishes and partially invests in the infrastructure fund, the "operator" leases and operates the infrastructure facilities, the "O&M provider" handles the maintenance of the power plants on behalf of the operator. The "asset manager" represents the interests of the infrastructure fund in selecting assets to be included in the infrastructure fund and negotiating lease contracts with the operator. In the case of CSIF, Canadian Solar Project Corporation ("CSP") is the sponsor and operator, Canadian Solar O&M Japan Inc. ("CSOMJ") is the O&M contractor and Canadian Solar Asset Management K.K. ("CSAM") is the asset manager. All entities belong to the Canadian Solar Inc (NASDAQ CSIQ) ("CSIQ") group, the world's fifth largest solar panel manufacturer. The strength of the company is its "vertically integrated model"; where they are panel manufacturers, who are well versed in the characteristics of solar panels and are involved in everything from the construction of power plants using their own panels to the operation of the plants.

Figure 1: Organizational Structure



Source: Company Data

Figure 2: Major Shareholders (As of 31st December 2024)

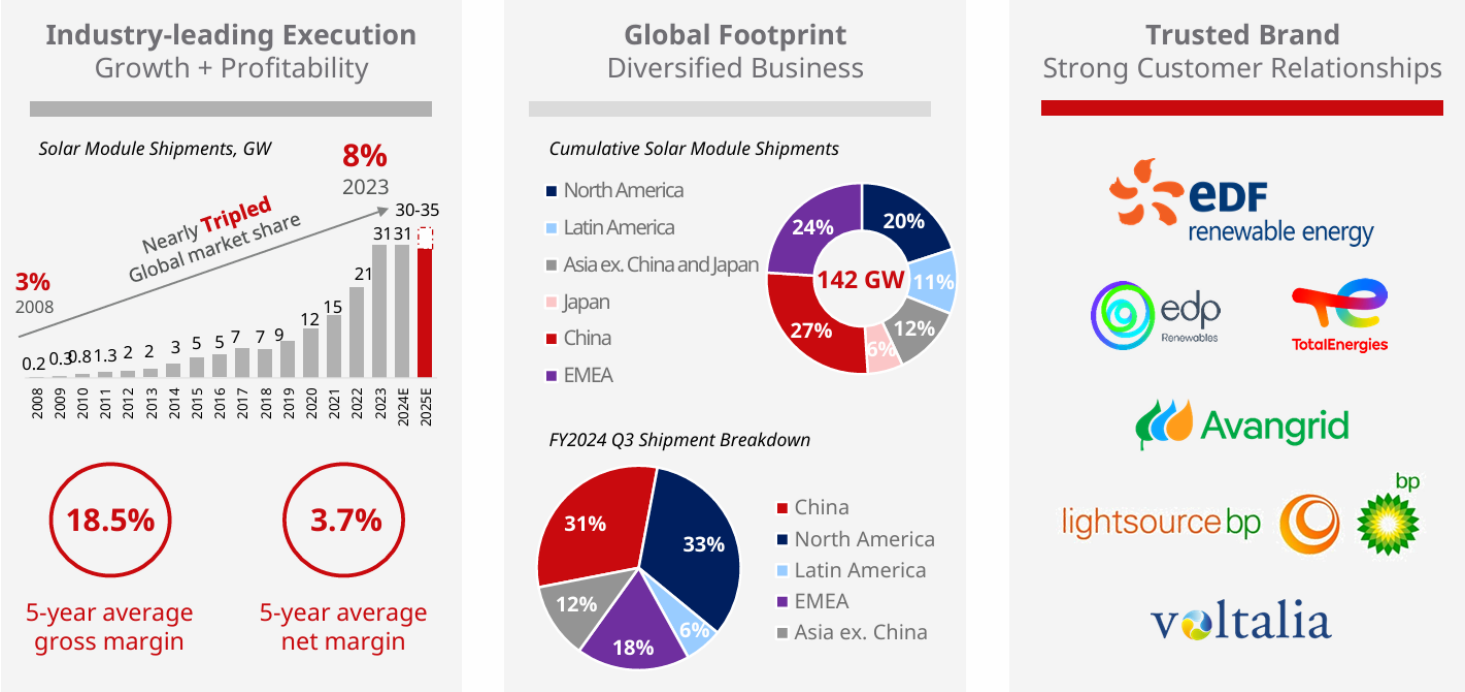
	Name	Number of Investment Units Held ('000 units)	Unitholding Ratio to Total Issued Units (%)
1	Canadian Solar Projects Ltd.	65.7	14.92
2	Custody Bank of Japan Ltd. (Trust Account)	9.3	2.10
3	JP MORGAN CHASE BANK 385650	8.0	1.80
4	UBS AG LONDON ASIA EQUITIES	5.8	1.30
5	THE BANK OF NEW YORK MELLON SA/NV 10	5.7	1.28
6	Individual (Undisclosed)	4.3	0.97
7	Individual (Undisclosed)	4.2	0.95
8	Rakuten Securities, Inc.	3.8	0.86
9	Osaka Shoko Shinkin Bank	3.5	0.80
10	Individual	3.3	0.75
	Total	113.5	25.79

Source: Company Data

CSIQ is the World's 5th Largest Solar Panel Manufacturer with Production Facilities Around the World

CSIQ was founded in Canada in 2001 by Shawn Qu, who received his PhD in materials science from the University of Toronto, then started working as a researcher at Ontario Power Generation (unlisted) and subsequently move to ATS Automation Tooling Systems Inc. In 2010, the company entered the solar power plant construction business and in 2015 acquired Recurrent Energy, LLC, a solar power plant development company owned by Sharp Corporation (TSE 6753). The company has solar panel production facilities in Canada, the U.S., China, Japan, Thailand and Vietnam and ranks fifth in the world in terms of panel production capacity. The top four companies are Jinko Solar Co Ltd (Shanghai 688223), Trina Solar Co Ltd (Shanghai 688599), LONGi Green Energy Technology Co Ltd (Shanghai 601012) and JA Solar Technology Co Ltd (Shenzhen 002459). All of the top five companies, including CSIQ, mostly manufacture mainstream crystalline silicon solar panels, with conversion efficiencies of around 20%.

Figure 3: CSIQ's Solar Panel Production Results

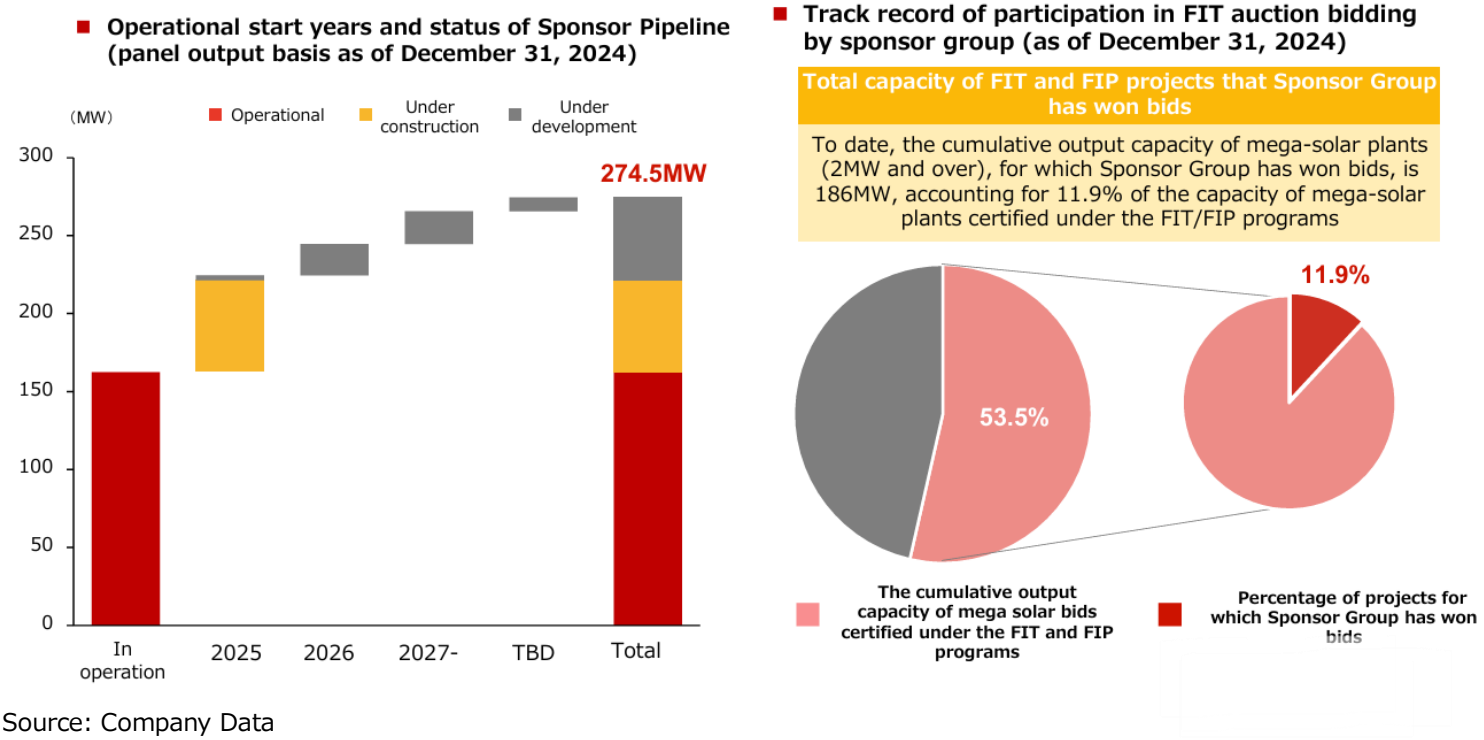


Source: Company Data

CSIQ Group is #1 FIT Bidder by Far and Has a Rich Pipeline

In Japan, Canadian Solar Japan K.K. was established in 2009 and started constructing solar power plants in 2012, through CSP; which was established in 2015 as a separate company dedicated to solar power plant development. It has participated in 9 out of the total 15 FIT system bids going back 2017. With a total capacity of 180 MW, the company is in first place, far ahead of the second-placed bidder (with a total capacity of approximately 98 MW). All but one of CSIF's current solar power plants (with a total output capacity of 245 MW) were acquired from the CSIQ Group, while the rest of the CSIQ Group's solar power plant pipeline (projects already in operation, under construction, and under development) have remained above 300 MW for the past five years, CSIF continues to maintain a structure that guarantees its growth potential.

Figure 4: CSIQ Group's Extensive Pipeline



Source: Company Data

Expand Growth Opportunities Through Diversification of Property Acquisition Routes

CSIF's total output capacity at the time of its listing was 73 MW, but through multiple subsequent asset acquisitions, it has now reached 245 MW and has grown at an annual rate of 20%. This means that it has grown at twice or more than the pace of the overall domestic market, which grows at about 7-10% per year. This high growth rate has been supported by CSIQ Group's extensive pipeline. In addition to acquiring properties from the CSIQ Group's pipeline, CSIF is diversifying its acquisition routes by establishing a system for acquiring properties from third parties using CSAM's unique network in Japan, in order to further increase its growth potential in the future. Furthermore, in addition to the conventional method of acquiring properties directly from sellers, CSAM plans to acquire properties through bridge funds, which will enable it to adjust for inconsistencies in the timing of transactions between sellers and CSIF and to control the number and scale of properties acquired, thereby increasing opportunities to acquire properties. The plan is to increase opportunities to acquire properties.

2) Rapid Portfolio Diversification

Even if the Size of the Power Plant is Large or the FIT Feed-In Tariff is High, Profitability Will Decrease if the Power Plant is Overpriced

CSIF has 33 solar power plants in Japan including the CS Hiroshima Suzuhari Power Plant (17 MW) acquired in January 2025, with a total output capacity of 245 MW and an average output capacity of 7.4 MW. The FIT price for most plants is ¥30-40. The top three power plants with the largest output capacity are CS Hiji-machi No. 2 (Oita) (53.4 MW), CS Mashiki-cho (Kumamoto) (47.7 MW) and CS Daisen-cho (Tottori) (27.3 MW).

Conversely, the top three power plants with the smallest output capacity are CS Koriyama (Fukushima) (0.6 MW), CS Isa (Kagoshima) (0.9 MW) and CS Osaki Kameinuma (Miyagi) (0.9 MW). For CSIF, the acquisition price from the seller, not the size, is the determining factor for the profitability of each power plant, because even if the size is large or the FIT price is high, profitability will be low if the acquisition price from the seller, such as CSP, is relatively high. In addition, of course, the amount of sunlight and output curtailment conditions in each region also affect profitability.

Figure 5: CS Hiji-machi Dai-Ni Power Plant (Oita Prefecture) (53.4 MW)

Source: Company Data

Figure 6: CS Koriyama-Shi Power Plant (Fukushima Prefecture) (0.6 MW)

Source: Company Data

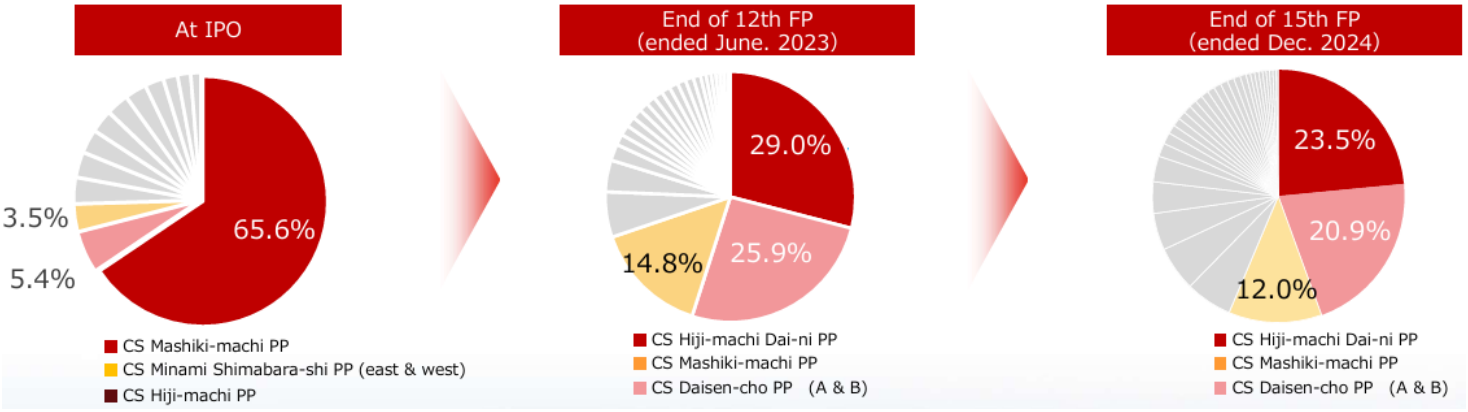
The Most Profitable Power Plant is CS Kasama Power Plant (Ibaraki Prefecture)

The business profit/loss is calculated as rental income minus rental expenses for each power plant, with depreciation accounting for 70-80% of rental expenses. The top three power plants with the highest ratio of operating income to rental income (average of the past 3-years) are CS Kasama (Ibaraki) (51.5%), CS Mashiki (Kumamoto) (48.4%) and CS Koriyama (Fukushima) (47.8%). Conversely, the top three lowest power plants are CS Ishikari Shinshinotsu-mura Power Plant (Hokkaido) (29.3%), CS Marumorimachi Power Plant (Miyagi) (30.3%) and CS Yusui-machi Power Plant (Kagoshima) (31.8%). The five power plants acquired in FY23/12 are not included in the comparison, but their profitability has been relatively high in recent periods, with business profit/loss ratios generally above 50%.

Portfolio Diversification Accelerated in FY23/12

The ratio of the top three properties in the portfolio was heavily skewed at 74.5% at the time of listing, including CS Mashiki-machi Power Station, and remained heavily skewed at 69.7% at the end of June 2023 among CS Hidemachi No.2, CS Mashiki-machi Power Station and CS Oyamacho Power Station. However, following additional acquisitions in the fiscal period ending December 2023, the ratio of the top three properties has fallen to 56.4%.

Figure 7: Changes in Portfolio Income Diversification (Panel Output Basis)



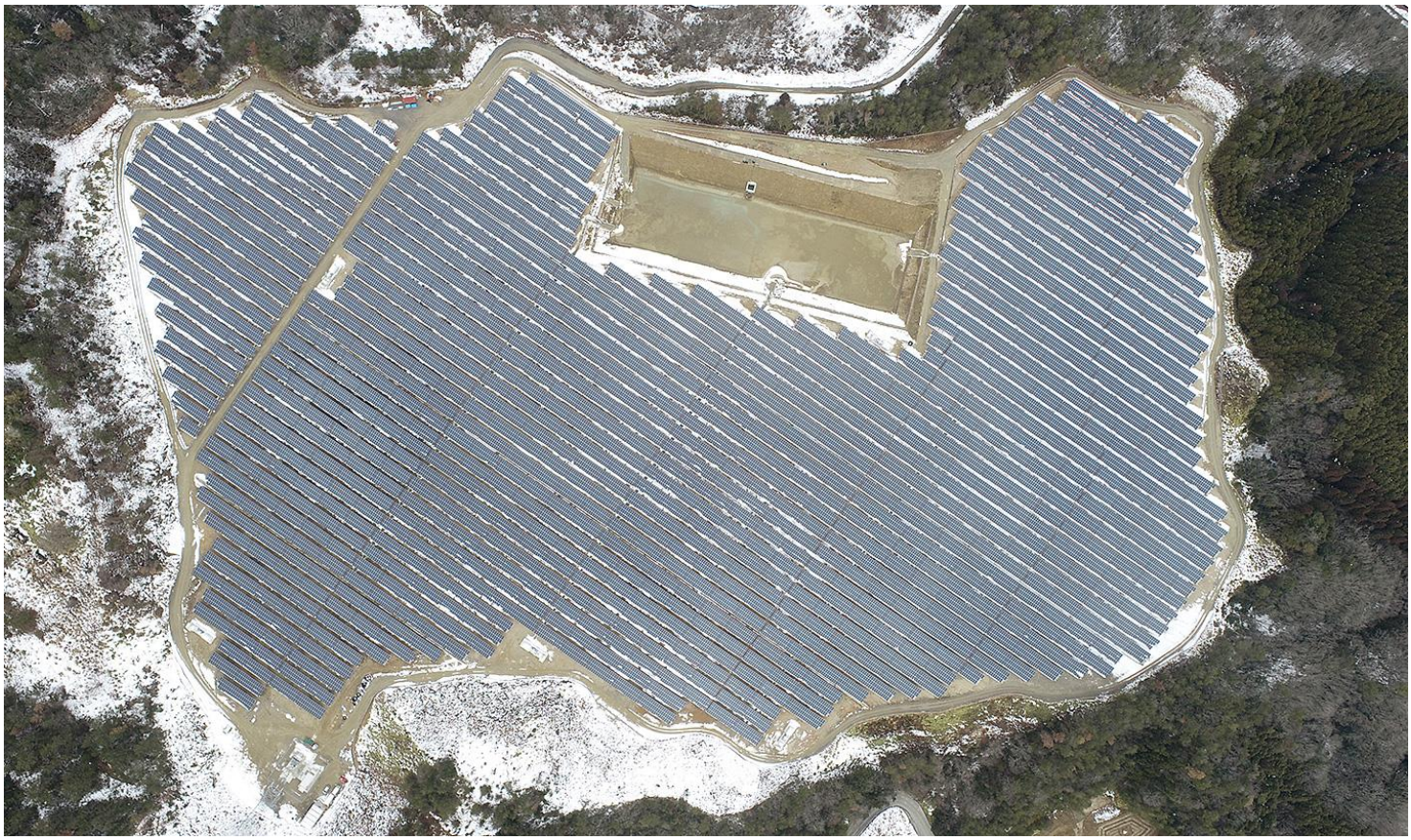
Source: Company Data

3) New Solar Power Plants have been Acquired in the 25/6 period

Acquired CS Hiroshima 17 MW Suzuhari Power Plant on January 29, 2025

In the fiscal period ending June 2025, CSIF will utilize surplus cash generated based on borrowings and the amount equivalent to excess profit distributions to acquire the CS Hiroshima Suzuhari Power Plant (17 MW) for ¥3.98 billion on January 29, 2025. As a result, CSIF's total panel output has reached 245MW.

Figure 8. CSIF Hiroshima Suzuhari Power Plant (Hiroshima Prefecture) (17MW)



Source: Company data

2. Peer Comparison

1) Only CSIF Can Realize a "Vertically Integrated Model”

There are 5-Listed Infrastructure Funds

There are a total of five listed infrastructure funds, including CSIF. In order of output capacity, these are CSIF (245 MW) (listed in 2017), Enex Infrastructure Investment Corporation (243 MW) (listed in 2019), Japan Infrastructure Fund Investment Corporation (185 MW) (listed in 2020), Tokyo Infrastructure Energy Investment Corporation (70 MW) (listed in 2018) and Ichigo Green Infrastructure Investment Corporation (29 MW) (listed in 2016).

Only CSIF Can Realize a "Vertically Integrated Model”

The respective sponsors are as follows; ITOCHU ENEX Corporation (TSE 8133) and others for Enex Infrastructure Investment Corporation. Canadian Solar Project for CSIF. Marubeni Corporation (TSE 8002) and subsidiaries (Mizuho Bank and Mizuho Trust Bank) of Mizuho Financial Group, Ltd. (TSE 8411) for Japan Infrastructure Fund Investment Corporation and Advantech Co., Ltd. (unlisted) which is a manufacturer of semiconductor manufacturing equipment parts. And finally, for Tokyo Infrastructure Energy Investment Corporation, Ichigo Co., Ltd. (TSE 2337) for Ichigo Green Infrastructure Investment Corporation. Sponsored by a panel manufacturer, CSIF is the only company that has been able to achieve a "Vertically Integrated Model".

Figure 9: Sponsors of Each Infrastructure Fund

Investment Corporation	Sponsor	Business
Canadian Solar Infrastructure	Canadian Solar Group	The world's fifth largest solar panel manufacturer. Also manages power plant development and storage batteries.
Enex Infrastructure	Itochu Enex Corporation	Subsidiary of ITOCHU Corporation, engaged in sales of LP gas, gasoline and electricity.
	Sumitomo Mitsui Trust Bank, Limited	A core company of the Sumitomo Mitsui Trust Holdings Group.
	Mercuria Investment, Co., Ltd.	Fund management business and proprietary investment business to manage its own funds.
	Maiora Asset Management	Extensive investment experience in solar power generation (over 2 GW worldwide).
Japan Infrastructure Fund	Marubeni Corporation	A general trading company in the Fuyo Group. Top-ranked in the grain sector and power generation business.
	Mizuho Bank	A core company of the Mizuho Financial Group.
	Mizuho Trust & Banking	A trust bank under Mizuho Financial Group.
Tokyo Infrastructure Energy	Advantec Co., Ltd.	Manufacturer of semiconductor manufacturing equipment components. Also develops solar power plants.
	Aioi Nissay Dowa Insurance	Non-life insurance company under the MS&AD Group.
Ichigo Green Infrastructure	Ichigo Inc.	The company also manages J-REITs, centered on the real estate securitization business.

Source: Prepared by Strategy Advisors. Based on Company Data

2) CSIF is the Largest Infrastructure Investment Fund in Terms of Both Output Capacity & Pipeline

CSIF has Become the Largest Again by Acquiring CS Hiroshima Suzuhari Power Plant in 2025

The output capacity ranking membership of the 5 infrastructure funds had been the since CSIF went public, but Enex Infrastructure Investment Corporation, which has been expanding its asset scale at an annualized rate of 80%, took top spot in 2023. After that, Enex Infrastructure Investment Corporation's asset expansion plateaued, while CSIF continued to expand its assets. CSIF took the top spot again with the acquisition of the CS Hiroshima Suzuhari Power Plant (17MW) in January 2025. Japan Infrastructure Fund Investment Corporation, which ranked third, is also rapidly expanding its assets at an annual rate of 70%, while Tokyo Infrastructure & Energy Investment Corporation, which ranked fourth, is at a rate of 30%, close to CSIF's level and finally, Ichigo Green Infrastructure Investment Corporation has barely expanded its assets.

CSIF Maintains the Largest Pipeline

Looking at the sponsor pipeline, for Enex Infrastructure Investment Corporation, the number has rapidly declined from more than 240 MW as of 2019 to only 25.3 MW currently. Therefore, the pace of asset scale expansion is likely to be limited in the future. For CSIF, Japan Infrastructure Fund Investment Corporation and Tokyo Infrastructure Energy Investment Corporation, their levels are generally stable at around 400 MW, close to 200 MW and over 100 MW, respectively. The output capacity of the pipelines has been generally stable at over 300 MW, close to 200 MW and over 100 MW, respectively and the pace of growth is not expected to change significantly in the future. Ichigo Green Infrastructure Investment Corporation continues to have zero pipeline capacity.

Figure 10: Output Capacity of Each Infrastructure Fund (MW)

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	120	123	184	184	184	184	184	226	226	228	245
Enex Infrastructure	40	40	140	140	156	156	241	243	243	243	243
Japan Infrastructure Fund	30	30	57	57	90	103	153	153	185	185	185
Tokyo Infrastructure Energy	20	46	46	46	46	70	70	70	70	70	70
Ichigo Green Infrastructure	26	26	26	26	26	26	26	26	29	29	29

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

Figure 11: Pipeline Capacity of Each Infrastructure Fund (MW)

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	355	384	409	391	376	368	368	393	392	320	303
Enex Infrastructure	234	122	122	122	122	111	25	25	25	25	25
Japan Infrastructure Fund	200	200	200	200	200	150	150	150	150	150	150
Tokyo Infrastructure Energy	104	104	105	108	105	123	123	128	137	137	137
Ichigo Green Infrastructure	0	0	0	0	0	0	0	0	0	0	0

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

CSIF's Average Power Plant Output Capacity is Second Only to Enex Infrastructure Investment Corporation

The number of properties as of 2H 24 is 12 for Enex Infrastructure Investment Corporation, 32 for CSIF, 63 for Japan Infrastructure Fund Investment Corporation, 23 for Tokyo Infrastructure Energy Investment Corporation and 15 for Ichigo Green Infrastructure Investment Corporation. The average output capacity of each power plant is 20 MW for Enex Infrastructure Investment Corporation, 7 MW for CSIF, 3 MW for Japan Infrastructure Fund Investment Corporation, 3 MW for Tokyo Infrastructure Energy Investment Corporation and 2 MW for Ichigo Green Infrastructure Investment Corporation. The top three properties in the portfolio account for 72% of Enex Infrastructure Investment Corporation, 56% of CSIF, 29% of Japan Infrastructure Fund Investment Corporation, 48% of Tokyo Infrastructure Energy Investment Corporation and 45% of Ichigo Green Infrastructure Investment Corporation, so Enex Infrastructure Investment Corporation has the largest bias.

3) CSIF Stands Out in Terms of Profitability

CSIF Stands Out in Terms of Operating Profit Margin & ROIC

Looking at profitability, CSIF, Enex Infrastructure Investment Corporation, Tokyo Infrastructure Energy Investment Corporation, Japan Infrastructure Fund Investment Corporation, Ichigo Green Infrastructure Investment Corporation, and Ichigo REIT, Inc. have outstanding operating profit ratios over the past three years: 37% for CSIF, 30% for Enex Infrastructure Investment Corporation, 28% for Tokyo Infrastructure Energy Investment Corporation, 25% for Japan Infrastructure Fund Investment Corporation and 23% for Ichigo Green Infrastructure Investment Corporation. Here, CSIF is a stand out. ROIC for the past three years has been 1.8% for CSIF, 1.2% for Enex Infrastructure Investment Corporation, 1.1% for Tokyo Infrastructure Energy Investment Corporation, 1.2% for Japan Infrastructure Fund Investment Corporation and 1.4% for Ichigo Green Infrastructure Investment Corporation, again with CSIF leading the pack.

Figure 12: Trends In Operating Margin for Each Infrastructure Fund

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	2-Year Ave.
Canadian Solar Infrastructure	36%	36%	43%	37%	43%	37%	33%	41%	37%	38%	37%
Enex Infrastructure	20%	20%	29%	27%	37%	33%	27%	33%	28%	28%	29%
Japan Infrastructure Fund	42%	36%	25%	23%	18%	28%	23%	29%	21%	32%	26%
Tokyo Infrastructure Energy	39%	31%	35%	23%	34%	30%	31%	21%	29%	15%	24%
Ichigo Green Infrastructure	30%	19%	29%	20%	31%	20%	28%	19%	26%	18%	23%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

Figure 13: ROIC Trends for Each Infrastructure Fund

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	2-Year Ave
Canadian Solar Infrastructure	1.7%	1.8%	1.7%	1.7%	2.2%	1.8%	1.5%	2.0%	1.8%	1.9%	1.8%
Enex Infrastructure	0.8%	0.9%	1.0%	0.9%	1.5%	1.3%	1.0%	1.3%	1.1%	1.2%	1.1%
Japan Infrastructure Fund	1.3%	1.9%	1.0%	1.2%	0.8%	1.4%	0.9%	1.4%	0.9%	1.6%	1.2%
Tokyo Infrastructure Energy	1.9%	0.9%	1.5%	0.9%	1.6%	1.1%	1.3%	0.9%	1.3%	0.7%	1.0%
Ichigo Green Infrastructure	1.5%	1.0%	1.5%	1.1%	1.7%	1.2%	1.6%	1.2%	1.6%	1.2%	1.4%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

4) CSIF Tops the List in Terms of Actual Performance, Considering Dividend Yield & the Rate of Change in BPS

CSIF's Dividend Yield has Declined Relatively Since it Effectively Abolished Excess Profit Distributions

While stock prices across the industry continue to fall following reports that the government will begin considering making solar panel recycling mandatory from June 2024, dividend yields (distribution yield = profit distribution yield + excess profit distribution yield) have generally been on an upward trend; but the increase in dividend yield for CSIF, which has essentially abolished excess profit distributions, has remained relatively small.

Figure 14: Dividend Yield of Each Infrastructure Fund

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	6%	6%	6%	6%	6%	6%	6%	7%	8%	9%	9%
Enex Infrastructure	7%	7%	6%	7%	10%	6%	7%	7%	7%	10%	13%
Japan Infrastructure Fund	1%	4%	6%	6%	7%	6%	7%	7%	7%	11%	14%
Tokyo Infrastructure Energy	6%	7%	6%	7%	6%	7%	6%	6%	7%	12%	13%
Ichigo Green Infrastructure	7%	6%	6%	6%	6%	6%	6%	6%	6%	9%	9%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

CSIF Stands Out in Terms of Profit Distribution Yield

However, when looking solely at profit distribution yields, CSIF has been trending significantly higher than the others in this field.

Figure 15. Profit Distribution Yields of Infrastructure Funds

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	5%	5%	5%	5%	6%	6%	5%	5%	6%	8%	8%
Enex Infrastructure	4%	3%	3%	3%	5%	4%	3%	3%	4%	5%	6%
Japan Infrastructure Fund	1%	3%	4%	4%	4%	4%	3%	3%	3%	6%	7%
Tokyo Infrastructure Energy	4%	4%	3%	4%	4%	5%	4%	3%	4%	6%	7%
Ichigo Green Infrastructure	3%	3%	2%	3%	3%	3%	3%	3%	3%	4%	4%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

The Book Value Per Share (BPS) of Infrastructure Investment Corporations Other than CSIF is on a Downward Trend

This is the result of infrastructure investment corporations with low profitability compensating for the lack of profits by increasing their reliance on surplus earnings dividends, which are the two components of dividends (distributions). As the payment of surplus earnings dividends reduces net assets, the book value per share (BPS) of infrastructure investment corporations other than CSIF has been on a downward trend.

Figure 16: Net Assets Per Share (BPS) of Each Infrastructure Fund

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024
Canadian Solar Infrastructure	93,998	93.397	104,463	103,665	103,818	103,053	101,898	103,280	102,543	102,436
(YoY)	-2%	-1%	+11%	+11%	-1%	-1%	-2%	+0%	+1%	-1%
Enex Infrastructure	86,894	88,110	84,932	86,263	82,042	81,542	80,253	80,952	79,570	77,917
(YoY)	-3%	-4%	-2%	-2%	-3%	-5%	-2%	-1%	-1%	-4%
Japan Infrastructure Fund	91,808	93,127	89,805	89,116	87,956	86,683	85,257	84.065	82,226	81,451
(YoY)	-	-	-2%	-4%	-2%	-3%	-3%	-3%	-4%	-3%
Tokyo Infrastructure Energy	89,582	87,998	87,328	86,020	86,322	88,365	85,981	85,028	84,095	82,673
(YoY)	-3%	-1%	-3%	-2%	-1%	+3%	-0%	-4%	-2%	-3%
Ichigo Green Infrastructure	44,094	40,866	42,018	38,777	40,149	36,632	37,776	34,377	35,386	31,943
(YoY)	-5%	-5%	-5%	-5%	-4%	-6%	-6%	-6%	-6%	-7%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

Differences in Dependence on Excess Distributions are Reflected in the Increase or Decrease in BPS

When calculating the yield including BPS change for each infrastructure investment corporation, CSIF has remained at the highest level since 2H 2012.

* Yield including BPS change = dividend yield + (BPS change rate ÷ PBR). As the denominator of the BPS change rate is net assets per share (BPS), we divided it by PBR to add it up with the dividend yield.

Figure 17: BPS Change in Unrealized Yield Calculations

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	5%	5%	15%	15%	6%	6%	5%	7%	8%	8%	8%
Enex Infrastructure	4%	3%	4%	5%	7%	2%	5%	6%	7%	5%	7%
Japan Infrastructure Fund			4%	2%	5%	4%	4%	4%	4%	6%	8%
Tokyo Infrastructure Energy	4%	6%	4%	5%	5%	9%	6%	3%	5%	7%	8%
Ichigo Green Infrastructure	3%	3%	3%	3%	3%	3%	3%	3%	3%	4%	4%

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November, and the figures for the May and June fiscal years are shown in 1H.

Source: Prepared by Strategy Advisors. Based on Company Data

5) Announcement of Abolition of Excess Profit Distribution is Part of Mid to Long-Term Strategy

Following CSIF's Lead, Other Infrastructure Investment Firms Announced Plans to Reduce Reliance on Surplus Distributions

In its mid to long-term strategy announced on August 16, 2024, CSIF revealed its intention to essentially abolish excess distributions and place emphasis on capital expenditures, specifically the acquisition of new properties and repurchasing of its own investment units. Following this, infrastructure investment corporations other than Ichigo Green Infrastructure Investment Corporation have also announced plans to reduce their reliance on surplus earnings distributions in the future.

Figure 18. Dependence of Each Infrastructure Investment Corporation on Excess Dividends (=Excess Dividends/Dividends)

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	2H 2025
	Actual										Forecast		
Canadian Solar Infrastructure	19%	16%	25%	23%	0%	16%	31%	18%	18%	0%	**9%**	**0%**	**0%**
Enex Infrastructure	60%	60%	57%	57%	41%	38%	68%	48%	55%	57%	20%	25%	-
Japan Infrastructure Fund	-	16%	52%	23%	53%	35%	61%	41%	64%	34%	41%	4%	-
Tokyo Infrastructure and Energy	32%	59%	32%	56%	24%	40%	50%	47%	49%	50%	60%	11%	11%
Ichigo Green Infrastructure	58%	-	56%	-	52%	-	54%	-	54%	-	52%	-	52%

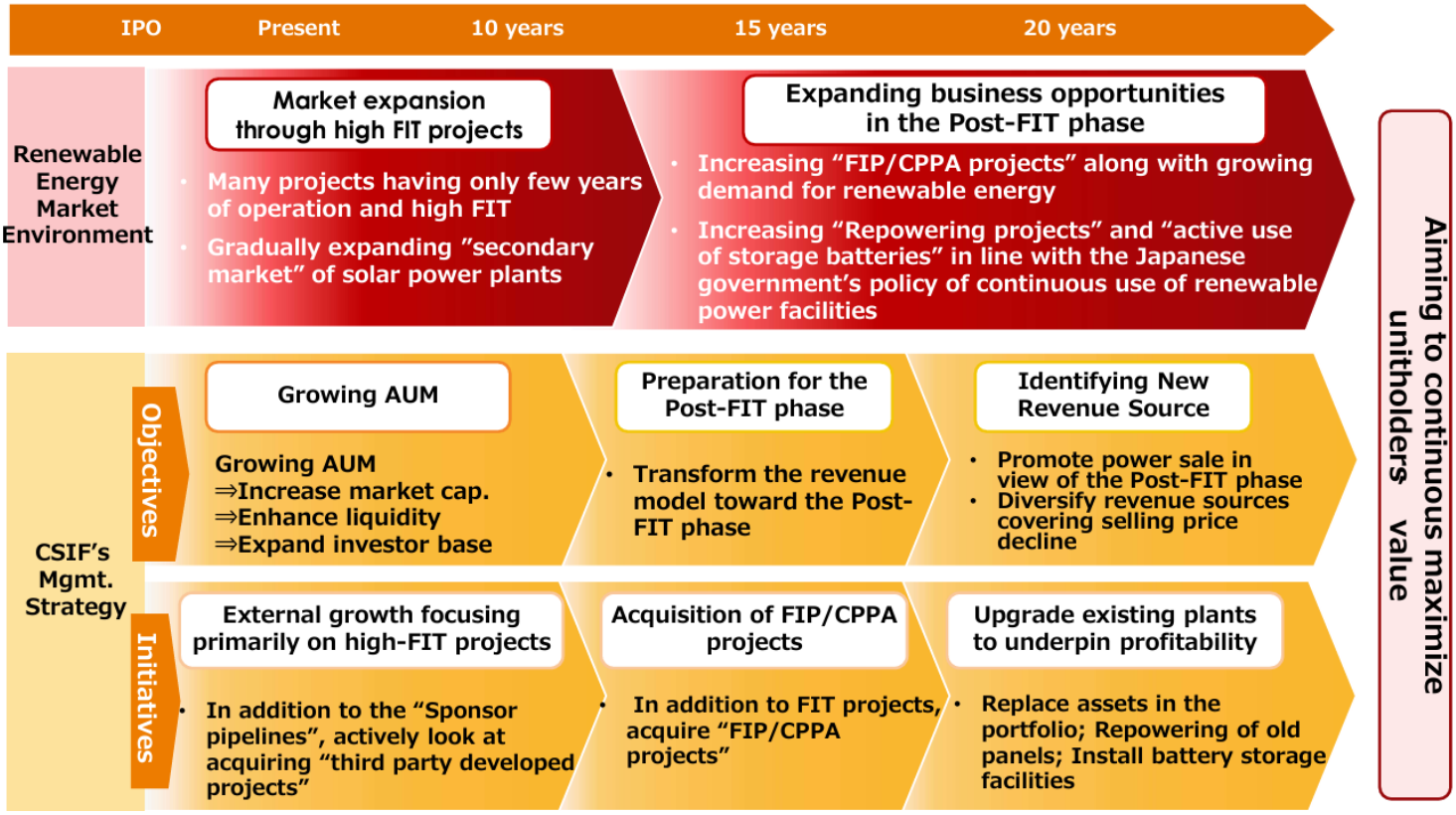
*Some infrastructure investment corporations have fiscal year endings in June and December, while others have fiscal year endings in May and November. The figures for those with fiscal year endings in May and June are listed in 1H.

Source: Compiled by Strategy Advisors. Based on Company Data

The Renewable Energy Market Environment is Undergoing Major Changes

When considering the yield including changes in BPS, which indicates the true capabilities of infrastructure investment corporations, the figure is calculated with the aim of offsetting as much as possible the decline in BPS, which serves as the source of excess earnings distributions and their capital. So, in theory, it will not be significantly affected whether excess earnings distributions are continued or abolished. However, as CSIF has indicated in its medium to long-term strategy, the renewable energy market environment is undergoing a major change from a period of "market expansion through high FIT projects" to a period aiming for "expansion of business opportunities in the post-FIT era".

Figure 19. Changes in the Renewable Energy Market Environment



Source: Company Data

In an Increasingly Complex Market Environment, the Proportion of Cash Controlled by CSIF, a Specialist Organization, Should be Increased

This change in the environment is expected to increase the options for management decisions, such as considering corporate PPA's, repowering and the introduction of storage batteries. In this increasingly complex business environment, it can be said that increasing the proportion of cash management controlled by CSIF, an industry expert, will lead to long-term stabilization of investor returns. Therefore, it is a timely decision to change from a cash management policy that is solely focused on excess profit distributions to a policy of choosing from multiple options such as capital expenditures, acquisition of new properties, repurchasing investment units and to establish a system for making flexible financial management decisions.

Acquired Investment Units Consecutively in Fiscal Periods December 2024 and June 2025, Focusing on Improving Unitholder Value

The company has already acquired 11,757 units for a total of ¥1 billion between August to November 2024 with a maximum of 12,000 units and a maximum total acquisition cost of ¥1 billion in the 24th fiscal period. The company is also intending to acquire an additional 12,000 units at a maximum total acquisition cost of ¥800 million in the 25th fiscal period from February to May 2025. Although the amount acquired is ¥800 million this time compared to ¥1 billion in the previous period, the growth in dividends per unit is expected to be over 2.6%, maintaining the same level as the previous business period.

Figure 20. Changes in Cash Management Policy

Source: Company Data

The Effective Abolition of Excess Earnings Distributions Would Accelerate Capital Accumulation and Lead to Earlier Rating Upgrades, Which Could Lead to Lower Interest Rates on Debt

In addition, CSIF has set a mid-term goal of raising its current rating of A to AA by 2030 and the abolition of excess earnings distributions will accelerate capital accumulation, which means that AA rating will likely be attained sooner. If an AA rating is achieved, the interest rate on future interest-bearing debt will be reduced, which will also have a positive effect on investor returns. JCR raised CSIF's rating from A (stable) to A (positive) on September 30, 2024, bringing the company just one step away from its target of AA.

6) CSIF is Preferred by Foreign Investors

In Terms of the Composition of Foreign Investors, CSIF Stands Out from its Competitors at 7.6%

Looking at the ratio of unitholders to the number of investment units, the ratio of foreign corporations and individuals to investment corporations other than CSIF is about 1.0~2.0%, while CSIF stands out at 7.6%, making it the preferred position amongst foreign investors. In addition, the ratio of sponsors is in the double digits only for CSIF and Ichigo Green Infrastructure Investment Corporation, and the degree of alignment between unitholders and sponsors is higher than that of other investment corporations, making it easier for governance to be effective. The three investment corporations with a relatively high proportion of individual investors in Japan at about 70% are Enex Infrastructure Investment Corporation, Japan Infrastructure Fund Investment Corporation and Tokyo Infrastructure Energy Investment Corporation.

Figure 21. Status of Unitholders of Each Infrastructure Fund (# of Units)

Investment Corporation	Sponsors	Domestic Financial Institutions	Domestic Corporations	Domestic Individuals	Foreign Corporations & Individuals
Canadian Solar Infrastructure	14.9%	11.5%	7.6%	58.3%	7.6%
Enex Infrastructure	2.5%	9.2%	10.5%	76.0%	1.1%
Japan Infrastructure Fund	1.3%	15.5%	11.7%	70.1%	1.1%
Tokyo Infrastructure Energy	3.6%	11.9%	7.1%	74.9%	2.4%
Ichigo Green Infrastructure	27.8%	10.2%	4.7%	53.7%	3.6%

* Figures for the most recent fiscal year of each infrastructure fund are described.

* Since the investment ratio of Mizuho Bank, the sponsor of Japan Infrastructure Fund Investment Corporation, is unknown, it is possible that the figure of domestic financial institutions of up to 0.8% is actually low and the figure of sponsor is high.

Source: Created by Strategy Advisors, Derived from Each Company's Materials

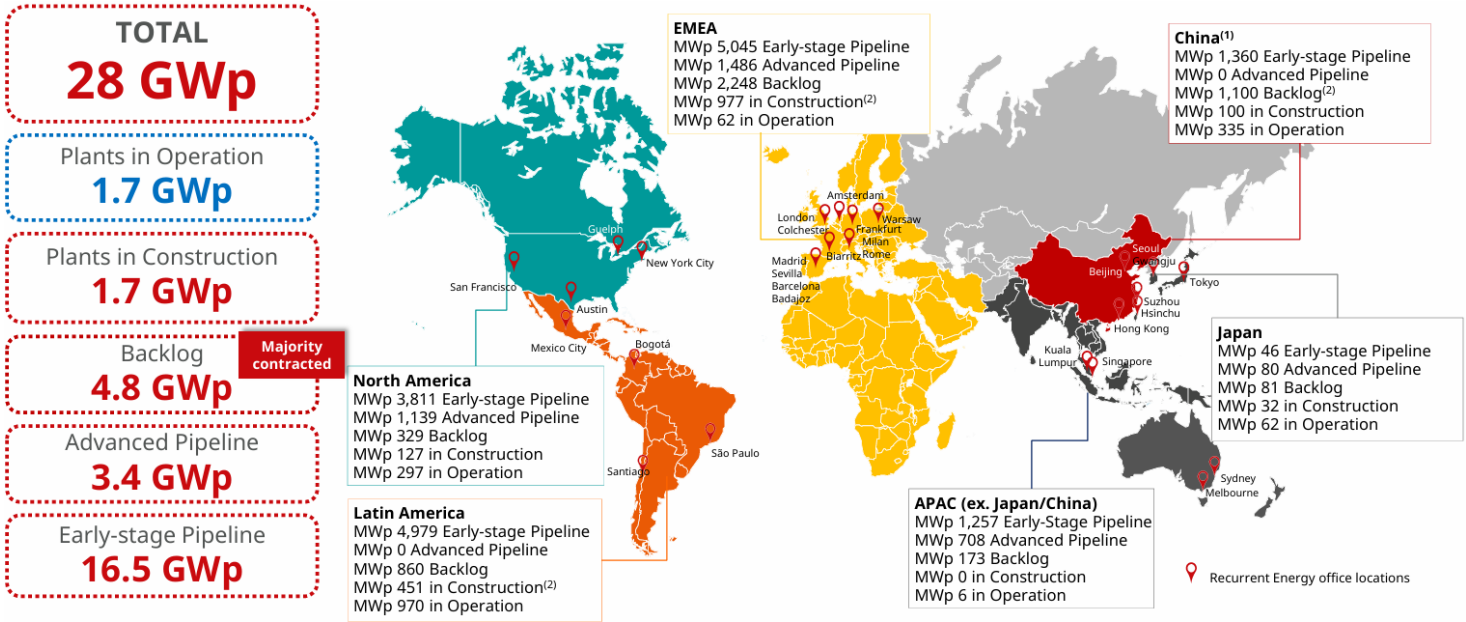
3. Competitive Advantage Created by the Difficulty of Imitation

Management scholar Jay B. Barney has identified "difficulty of imitation" as a resource that provides a company with a competitive advantage. Imitation difficulty means that it is difficult for other companies to imitate a product and it takes a great deal of time and money to do so. The difficulty in imitating CSIF's is its "Vertically Integrated Model," which sponsors the world's fifth largest panel manufacturer.

CSIQ's Power Plant Pipeline is 28 GW Worldwide, 70x that of Japanese Projects

CSIQ, the sponsor group of CSIF, is the world's fifth largest panel manufacturer. CSIQ has been in the solar power plant development business since 2010 and has built up its knowledge over the years, starting to build power plants in Japan in 2012. Geographically, CSIQ is developing solar power plants in North America, South America, Europe, Africa, China, Japan, Southeast Asia and other parts of the world, with a current global pipeline of approximately 28,000 MW, nearly 100 times the pipeline it has in Japan. CSIQ's knowledge of power plant construction is considered to be among the best in the world, as the company has been constructing power plants in various environments around the world for more than a decade.

Figure 22: CSIQ's Global Pipeline



Source: CSIQ Data

CSIQ's Expertise in Panel Characteristics Can be Applied to Power Plant Development & Operations

In addition, CSIQ uses its own panels in the solar power plants it develops. Naturally, CSIQ is well versed in the characteristics of its own panels, so it selects sites and designs power plants based on panel characteristics, thereby ensuring that power plants are optimized for highly efficient power generation and stable long-term operation. Furthermore, as a panel manufacturer, CSIQ is constantly researching the characteristics of panels made by other companies. Therefore, when CSIF considers purchasing solar power plants using panels manufactured by other companies from third parties in the future, it can make use of CSIQ's knowledge of the characteristics of the panels and the high quality of the power plants.

O&M has Achieved a Double-Checking System in Japan & Canada

For O&M, CSOMJ monitors operations in Japan in real time using a general-purpose industrial system called SCADA. In addition, Canadian Solar O&M Inc. in Ontario, Canada, monitors operations through a global integrated management system called CS Eye that operates 24/7. This double-checking system, which overcomes the time difference made possible by being a global company, ensures the stable operation of their solar power plants.

China's Top Four Listed Solar Panel Makers are Not Developing Large-Scale Projects in Japan

The four companies that exceed CSIQ in solar panel production volume are all listed in China. They are Jinko Solar Co Ltd (Shanghai 688223), Trina Solar Co Ltd (Shanghai 688599), LONGi Green Energy Technology Co Ltd (Shanghai 601012) and JA Solar Technology Co Ltd (Shenzhen 002459). At present, these companies do not own large-scale solar power plants in Japan, but Trina Solar plans to increase development projects on the premise of owning them in the future and to utilize them for off-site PPA's, etc.

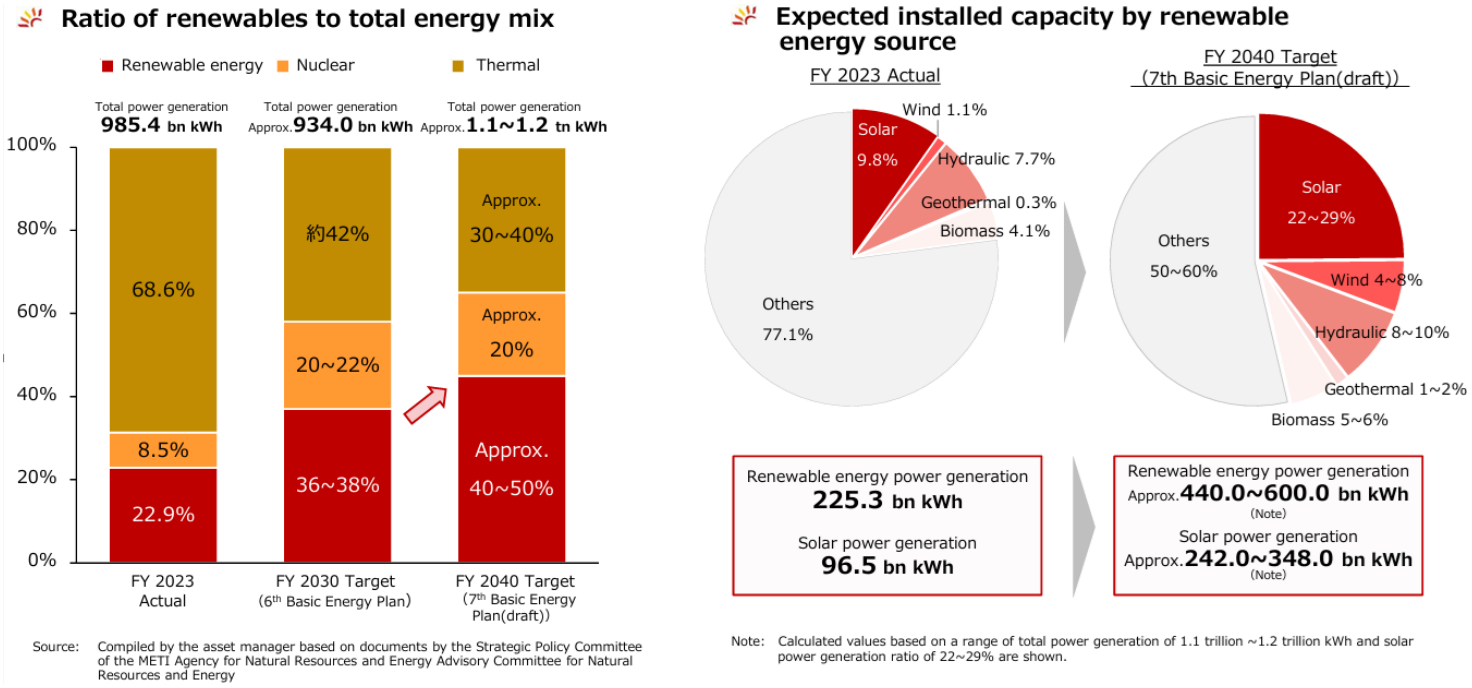
4. Domestic Photovoltaic Market and CSIF's Growth Strategy

1) Domestic Market is Expected to Grow at 6-8% Per Annum Through Till 2040

Proportion of FIT Projects Gradually Declining

In the Seventh Basic Energy Plan (draft), published in December 2024, solar power generation in FY2040 is expected to be approximately 242 to 348 billion kWh, growing at an annual rate of 6 to 8% over the 17 years from 96.5 billion kWh in FY2023. According to Yano Research Institute, FIT/FIP projects will account for around 70% of the approximately 5GW of installed capacity in 2023, but this proportion is expected to gradually decrease thereafter, to around 14% in 2030.

Figure 23: Japanese Government's Aggressive Stance in Pushing Renewable Energy Diffusion



Source: Company Data

2) CSIF's Growth is Expected to Continue to Outpace the Domestic Market Growth

CSIF Plans to Triple its Asset Size by 2030

All of CSIF's existing power plants (total capacity of 245 MW) and pipeline (total capacity of 303 MW) (*CS Hiroshima Suzuhari Power Plant (17 MW)), acquired in January 2025, has been transferred from pipeline to existing plants, so the figures differ from those in the financial results presentation materials as of the end of December 2024) are FIT projects. CSIF has set a goal of more than tripling its asset size from the current ¥97bn to ¥300bn in the medium term. The growth rate is expected to be 21% per year, which is a much higher rate of expansion than that of the overall market growth rate.

Some Investment Corporations in the Same Industry Do Not Publish Mid-Term Targets

Tokyo Infrastructure Energy Investment Corporation has set a similar goal to that of CSIF, increasing its asset size from ¥29.1bn to ¥50 bn from FIT projects alone, while Japan Infrastructure Fund Investment Corporation has increased its asset size from ¥67.6bn yen to ¥100bn in the medium term, including non-FIT projects, wind power, biomass and hydroelectric power, etc. Enex Infrastructure Investment Corporation has not indicated a medium-term target.

Increasing the Allowability of Acquiring Additional Large Power Plants as Asset Size Expands Will Make It Easier to Realize Profitability Gains

The benefits of expanding asset scale include a lower administrative personnel cost ratio, improved O&M efficiency due to multiple solar power plants located nearby and lower interest rates on borrowings due to improved creditworthiness. At present, CSIF and Enex Infrastructure Investment Corporation are the only two companies with power plants with output capacities of 30 MW or more. The more options a company has in acquiring power plants, the easier it will be to increase profitability and the more likely it will be to increase its share price.

The Boom in the Secondary Market Triggered by Output Curtailment is also a Tailwind for CSIF

The current active secondary market is a driving force behind the asset expansion strategy. Foreign companies have decided to withdraw from development due to the decline and end of FIT prices and power plant owners (individuals and overseas companies, etc.) who are unwilling to expand output curtailment, which began in 2018 and continued till 2022, are looking to sell their power plants. This is the reason why the market is expected to expand from a cumulative total of approximately 22.7GW in FY2020 to 79.4GW in FY2030. CSIF is taking advantage of this opportunity to accelerate the speed of asset expansion through the acquisition of power plants from the secondary market.

3) If Debt Repayment Timeframes Can be Aligned with the Depreciation Period, Business Growth Can be Accelerated

Potential to Accelerate Output Capacity Growth Speed by at Least 3 MW Annually

The contractual repayment of loans procured by CSIF from financial institutions for the acquisition of power plants is not for 25 to 30 years until the completion of depreciation, but for 20 years until the end of the FIT. The short repayment period has the effect of reducing cash reserves. If the repayment period could be extended to 25 to 30 years, which would coincide with the depreciation period and the speed of CSIF's business growth could be further accelerated.

For example, the contracted repayment amount in 2023 was approximately ¥4bn, but if this amount could be reduced by 2/3 to ¥2.6bn, it would be possible to acquire additional power plants worth more than 3 MW in one year (calculated at the generally accepted market price of ¥400mn for 1 MW).

5. Current Performance Trends

1) Results for FY24/12

Net Income +5% YoY in FY24/12

For FY24/12, CSIF reported sales of ¥4.5bn (-2% YoY), operating profit of ¥1.7bn (-9% YoY), recurring profit of ¥1.5bn (+5% YoY) and net income of ¥1.5bn (+5% YoY). From July to September and December, the actual power generation volume was relatively good, but due to the large negative impact of bad weather in October and November, the actual power generation volume for the full year was lower than the forecast power generation volumes.

Controlling the Assumed Lost Variable Rents by Introducing 'On-Line' Curtailment Controllers

Regarding output curtailment, the number of output reduction incidents declined from 151 times in the 12-months till December 2023 period to 121 times in the next 12-months ending in December 2024, so the expected lost variable rent also decreased. Incidentally, the number of times output curtailments was higher in the June period than in the December period. This is due to a seasonal factor, resulting from a mismatch of supply and demand, where the increase in sunshine hours in spring increases the amount of electricity generated, while the demand for electricity for heating and cooling is lower.

Concrete Measures Have Been Taken at the Government Level to Reduce Output Curtailment

With regard to output curtailment, which is an obstacle to the spread of renewable energy, measures on the supply, demand and grid sides are being considered at the government level. Specific measures have been announced in December 2023 as the "Renewable Energy Output Curtailment Measures Package." In November 2023, the Listed Infrastructure Fund Council, to which CSIF belongs, submitted a questionnaire and opinion on output curtailment in November 2023 requesting highly transparent disclosure of information on output curtailment from some power transmission and distribution companies.

Figure 24. Renewable Energy Output Curtailment Measures Package

Demand-side countermeasures

Household sector

- Stimulating demand (and transition) by introducing residential solar battery storage, heat pump water heaters, among others
- DR Readiness of equipment (installation of communication control devices)
- Promote consumer behavioral changes to utilize demand-side resources (initiatives to stimulate demand during output curtailment)

Industrial sector

- Grid: Stimulate demand of and transition towards usage of battery storages, (renewable) adjacent battery storages, and hydrogen electrolyzers
- Corporates: Promote battery storages and provide assistance for installing communication control devices
- Promote DR for furnaces used by energy-intensive industries
- Introduce new locations and/or alter demand dynamics for energy-intensive industries to adapt to new supply/demand dynamics

Supply-side countermeasures

- Further promotion of online conversion of renewable facilities
- Lowered minimum output of newly-built thermal plants (50% to 30%), request existing thermal plants to follow suit
- Lowered output of unregulated power supply in surrounding areas of sectors that are undergoing output curtailment
- Boost operational efficiency of thermal power plants
- Optimize output curtailment by utilizing hydroelectric energy
- Promote FIP to stimulate renewable energy to better adapt to energy demand/supply fluctuations in the market

Grid countermeasures

Grid reinforcement

- Expand intra-region grid transmission by revamping current interconnection operations
- Expand intra-region grid transmission by reinforcing cross-regional interconnection lines

Energy market dynamics (medium-long term agenda)

- Adjust and stimulate demand/supply through chained price index mechanism

Source: Company Data

Figure 25: Performance Trends (¥ mn)

FY End	20/12	21/6	21/12	22/6	22/12	23/6	23/12	24/6	24/12	25/6 CoE
Sales (Rental Revenues)	**2,414**	**3,425**	**3,587**	**4,061**	**3,715**	**3,453**	**4,538**	**4,368**	**4,455**	**4,683**
YoY	15.6%	46.9%	48.6%	18.6%	3.6%	-15.0%	22.2%	26.5%	-1.8%	7.2%
Operating Expenses	1,555	1,966	2,243	2,317	2,332	2,297	2,691	2,759	2,769	2,909
Rental Expenses	1,409	1,781	2,034	2,091	2.115	2,083	2,415	2,483	2,491	
Asset Management Fees	61	88	112	127	116	109	169	166	170	
Administrative Service Fees	19	23	28	28	27	29	28	31	29	
Director's Compensation	2	2	2	2	2	2	2	2	2	
Taxes and Duties	0	2	0	0	0	0	3	0	0	
Others	63	69	67	68	72	73	74	77	75	
Operating Income	**858**	**1,459**	**1,345**	**1,744**	**1,383**	**1,156**	**1,847**	**1,608**	**1,687**	**1,774**
OPM	35.5%	42.6%	37.5%	42.9%	37.2%	33.5%	40.7%	36.8%	37.9%	37.9%
Non-Operating Income	37	91	9	3	40	57	2	9	32	
Interest Income	0	0	0	0	0	0	0	0	2	
Dividends	-	0	-	0	-	0	-	0	-	
Gain on Forfeiture of Unclaimed Dividends	-	-	-	-	-	0	1	1	1	
Insurance Income	1	79	8	-	39	57	-	0	29	
Guarantee Commission Received	-	-	-	-	-	-	1	-	0	
Miscellaneous Income	36	12	0	3	0	0	0	-	-	
Non-Operating Expenses	178	476	230	237	209	209	462	255	265	454
Interest Expenses	111	147	160	151	149	141	184	186	186	
Interest on Investment Corporation Bonds	4	17	19	19	19	19	19	19	22	
Investment corporation bond issuance Cost	1	3	3	3	3	3	3	3	3	
Borrowing-Related Expenses	57	213	38	38	38	38	213	47	51	
Ordinary Income	**717**	**1,074**	**1,123**	**1,510**	**1,214**	**1,004**	**1,387**	**1,362**	**1,454**	**1,320**
ROS	29.7%	31.4%	31.3%	37.2%	32.7%	29.1%	30.6%	31.2%	32.6%	28.2%
Income Before Income Taxes	**717**	**1,074**	**1,123**	**1,510**	**1,214**	**1,004**	**1,387**	**1,362**	**1,454**	
Total Income Taxes	1	1	1	1	1	1	1	1	1	
Net Income	**716**	**1,073**	**1,122**	**1,509**	**1,213**	**1,003**	**1,386**	**1,361**	**1,453**	**1,319**
NPM	29.7%	31.3%	31.3%	37.2%	32.7%	29.0%	30.5%	31.2%	32.6%	28.2%

Source: Company Data

2) FY25/6 Forecasts and Beyond

Depending on Asset Acquisition, Actual Results May be Higher Forecasts

For FY25/6, the company forecasts net sales of ¥4.683bn (+7% YoY), operating income of ¥1.774bn (+10% YoY), recurring income of ¥1.320bn (-3% YoY) and net income of ¥1.319mn (-3% YoY), which is an increase in sales and a decrease in ordinary profit and other profits compared to the 24/6 period.

However, these figures are based on the assumption that no further acquisition of solar power plants will be factored in, and if assets are acquired, these figures may be higher. Dividends per unit are expected to decrease from ¥3,775 in FY24/6 to ¥3,281 in the fiscal year ending December 25/6, as the company has decided to set the excess profit distribution to zero going forward.

6. ESG

First Listed Infrastructure Fund to Comply with TCFD

In February 2022, CSIF implemented disclosures in line with the TCFD (Task Force on Climate-related Financial Disclosures), a body established by the Financial Stability Board (FSB) at the request of the G20 to examine climate-related disclosures and how financial institutions should respond. The FSB recommended the disclosure of "Governance", "Strategy", "Risk Management", and "Indicators and Targets" as recommended items for climate change-related information disclosure and this is in response to this recommendation. CSIF was the first listed infrastructure fund to comply with this recommendation.

ESG Report was Updated February 2025

In February 2023, we selected ESG issues (materiality) that are of particular importance to CSIF and published an ESG report that shows KPI's and specific measures related to the resolution of materiality items. In February 2025, the company's ESG report was updated & a new sustainability report was published.

Received Top Ranking in the Green Finance Framework

In June 2023, the company revised its green finance framework and received the highest rating of Green1(F) from JCR. Most recently, the company issued its second green bond on October 24, 2024 (issuance amount increased from ¥1.1 bn to ¥1.4bn, maturity 5 years).

Conforms to European SFDR

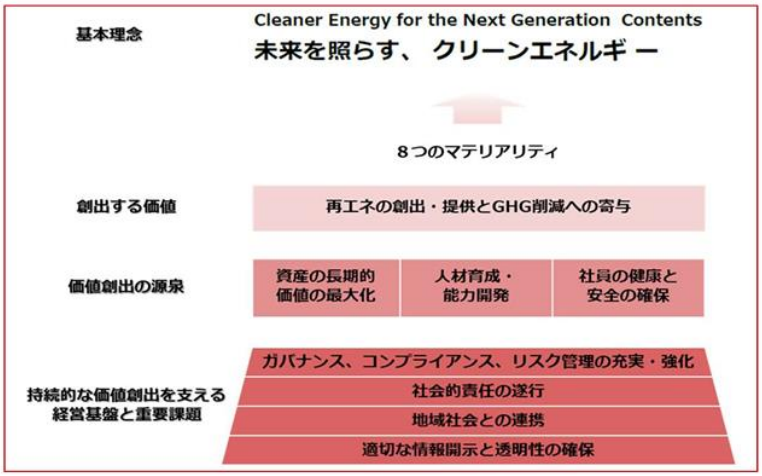
Furthermore, CSIF's disclosures are in compliance with the Sustainability Related Disclosure Rules (SFDR), which were established in Europe to prevent greenwashing of investment products (making them appear as if they are environmentally friendly).

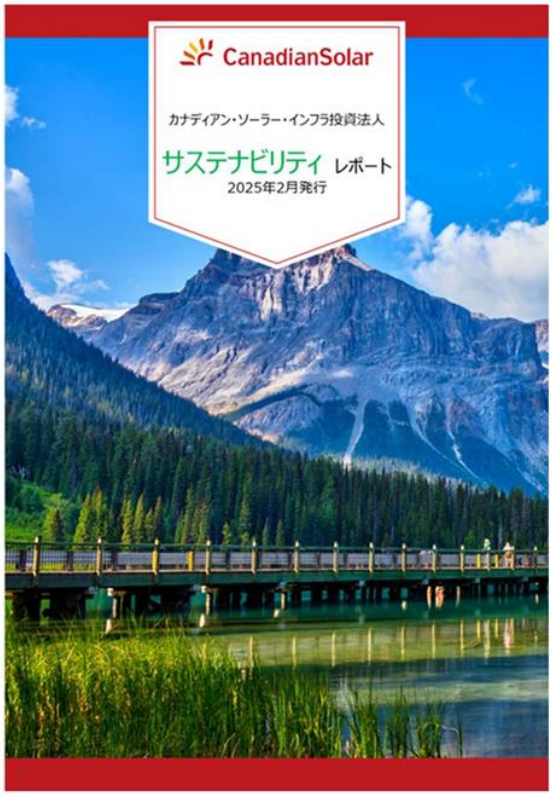
Implementing Environmentally and Socially Conscious Initiatives in the Area Where the Power Plant is Located

In each area where the power plant is located, in consideration of rare species such as goshawks, CSIF refrained from using chainsaws and colored fences in protective colors (CS Oyamacho Power Plant), sponsorship of a walking competition on the historical site course that Francis Xavier is said to have passed (CS Hinodecho / Hinodecho 2nd Power Plant), made donations of parks (CS Oyamacho Power Plant). CSIF is making efforts to consider the environment and society, such as donating condolences for typhoon damage (CS Marumoricho Power Plant).

Figure 26: ESG Report

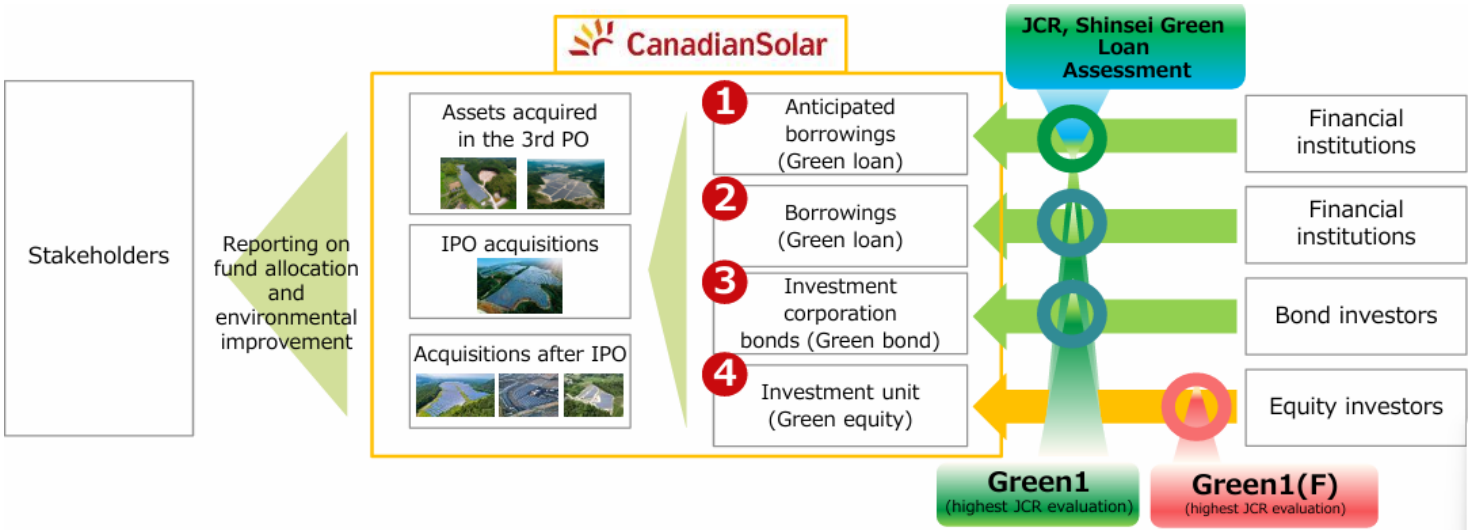
- CSIF and CSAM updated the ESG Report published in February 2023 and newly published a Sustainability Report in February 2025.
- CSIF reviewed the ESG issues (materiality) of particular importance to CSIF and clarified the objectives of its future activities.
- In the future, CSIF will achieve its goals by setting KPIs and implementing specific measures for materiality items





Source: Company Data

Figure 27. Highest Rating for Green Finance Frameworks



Source: Company Data

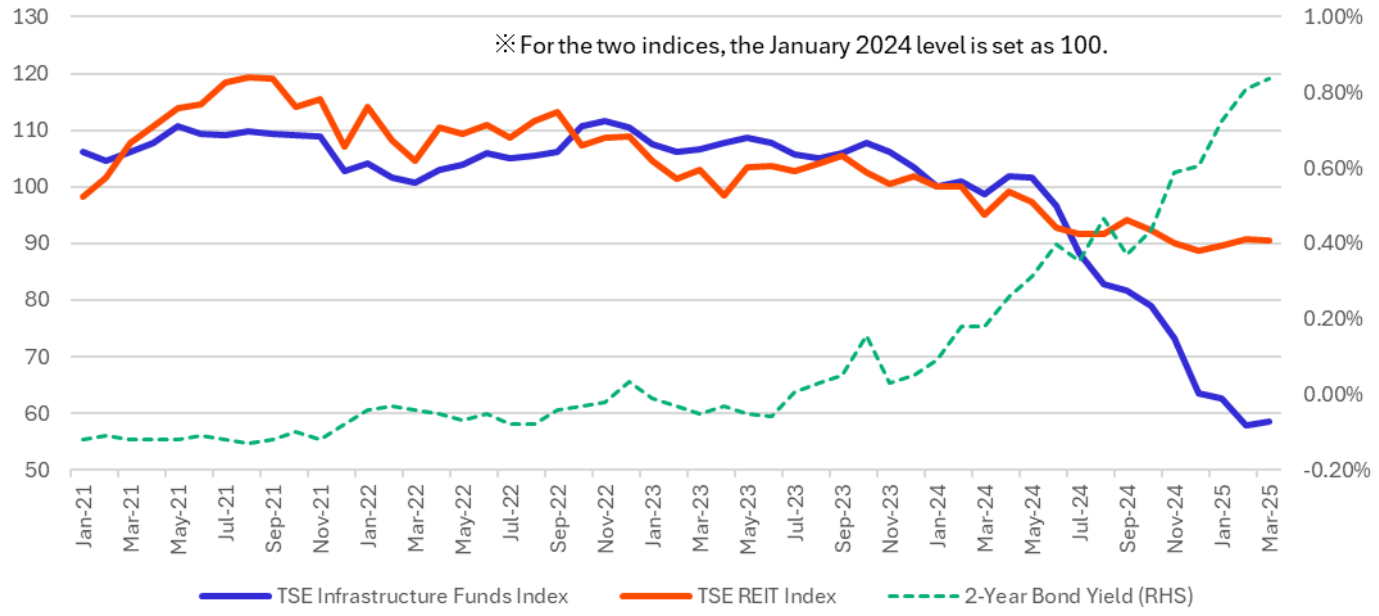
7. Valuation

1) CSIF Was One of the First to Decide to Abolish the Principle of Excess Profit Distributions & Has Outperformed its Peers Since the Start of the Year

Infrastructure Investment Corporation Share Prices Have Remained Stable Compared to REIT Share Prices.. They Have Recently Fallen Due to Rising Interest Rates and Other Unique Factors

Although the amount of electricity sold by infrastructure investment corporations varies depending on the weather and output control conditions, the price per unit of electricity sold itself remains constant for up to 20 years, so their share prices tend to be more stable than those of REIT's. However, rising interest rates are a negative factor for both infrastructure investment corporations and REIT's and the rise in interest rates since mid-2023 has put downward pressure on share prices (and upward pressure on dividend yields). Since June 2024, only infrastructure investment corporations have seen an increase in their rate of decline; but this is due to a factor specific to infrastructure investment corporations, namely reports that the government has begun considering making solar panel recycling mandatory.

Figure 28: TSE Funds Index, TSE REIT Index & 2-Year Bond Yield



Source: Prepared by Strategy Advisors

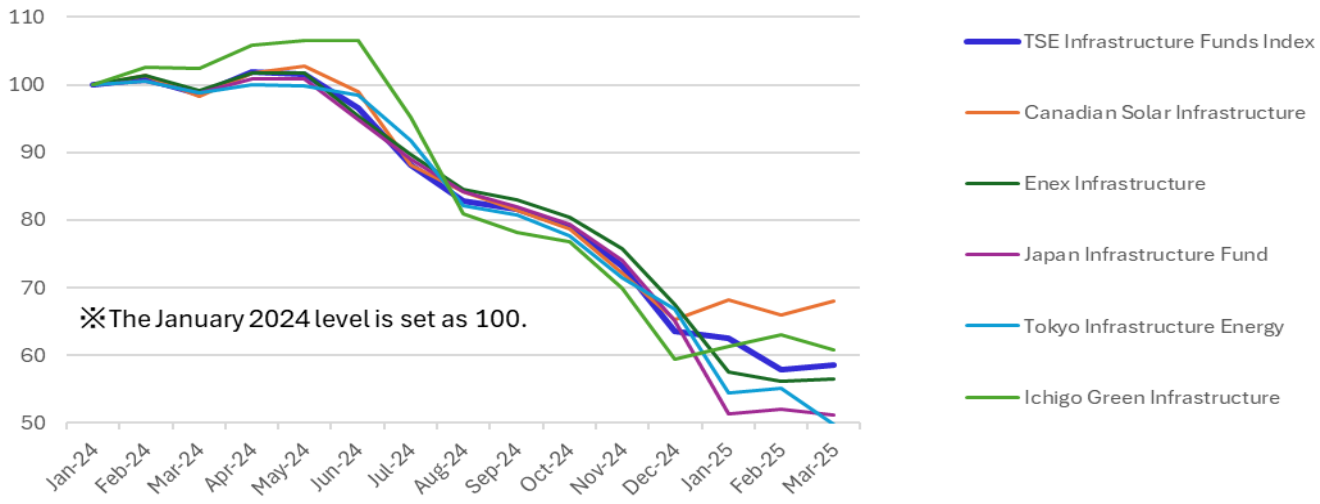
Following the News of the Mandatory Recycling Policy, Stock Prices of Each Company Fell by 30-40% by the End of 2024

As of FY2023, before talk of making solar panel recycling mandatory, the PBR's of each company were generally above 1.0x, and remained at roughly the same level even during the rising interest rate phase in FY2024. However, after the news was released, the rate of decline widened and by the end of 2024, they had fallen by around 30-40% compared to before this news was released.

In 2025, Only CSIF's Stock Price Rose Above its Bottom Price & Outperformed its Peers

As we enter 2025, the overall downward trend continues as other companies in the same industry also announce plans to reduce excess dividends. In this environment, the stock price of CSIF, which was the first to announce a plan to reduce excess dividends, has instead begun to rise above its bottom price and is outperforming its competitors.

Figure 29. Tokyo Stock Exchange Infrastructure Fund Index & Share Price Trends of Infrastructure Investment Corporations



Source: Compiled by Strategy Advisors. Based on Company Data

Figure 30. PBR Trends of Infrastructure Investment Corporations

Investment Corporation	20H1	20H2	21H1	21H2	22H1	22H2	23H1	23H2	24H1	24H2	Latest
Canadian Solar Infrastructure	1.2	1.4	1.2	1.2	1.2	1.2	1.2	1.1	1.0	0.7	0.7
Enex Infrastructure	1.1	1.0	1.1	1.0	1.1	1.2	1.1	1.1	1.0	0.7	0.6
Japan Infrastructure Fund	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.0	1.0	0.7	0.5
Tokyo Infrastructure and Energy	1.1	1.1	1.2	1.1	1.1	1.0	1.1	1.0	0.9	0.6	0.5
Ichigo Green Infrastructure	1.3	1.5	1.6	1.7	1.8	2.0	1.9	2.1	1.9	1.4	1.4

*Some infrastructure investment corporations have fiscal year endings in June and December, while others have fiscal year endings in May and November. The figures for those with fiscal year endings in May and June are listed in H1.

Source: Compiled by Strategy Advisors. Based on Company Data

There is a Possibility That CSIF's Stock Price May Once Again Become Undervalued When Viewed Based on the Yield Including BPS Changes

As a result, the sense of undervaluation of CSIF when compared based on the yield including BPS changes has been corrected and the current situation is that each company is generally at a level of 7-8%. However, when comparing the forecast of future yield including BPS changes, CSIF is expected to become more undervalued again and there is a possibility that CSIF's stock price will continue to outperform its peers.

Figure 31. Trends in Calculated Yields Including Changes in BPS

Investment Corporation	22H1	22H2	23H1	23H2	24H1	24H2	Latest	25H1	25H2	26H1
	Achievements							Company forecast		
Canadian Solar Infrastructure	6%	6%	5%	7%	8%	8%	8%	**8%**	**8%**	**9%**
Enex Infrastructure	7%	2%	5%	6%	7%	5%	7%	6%	7%	-
Japan Infrastructure Fund	5%	4%	4%	4%	4%	6%	8%	8%	7%	-
Tokyo Infrastructure and Energy	5%	9%	6%	3%	5%	7%	8%	5%	5%	7%
Ichigo Green Infrastructure	3%	3%	3%	3%	3%	4%	4%	-2%	5%	4%

*Some infrastructure investment corporations have fiscal year endings in June and December, while others have fiscal year endings in May and November. The figures for those with fiscal year endings in May and June are listed in H1.

*For calculations after the most recent value, the BPS change rate is the 24H2 value and the stock price is the most recent value.

Source: Compiled by Strategy Advisors. Based on Company Data

2) Increased Market Capitalization May Result in a Liquidity Premium

Market Capitalization Increase Through Future Pipeline Acquisitions Could Lead to Higher Share Price

In terms of market capitalization, even CSIF, the company with the largest market capitalization, is not large at approximately ¥50bn. In the future, as market capitalization increases and liquidity improves through pipeline acquisitions, the investor base will expand, which may lead to an increase in the share price in the form of a liquidity premium.

Strong Fundraising Capacity and Strong Financial Base Support Steady Pipeline Acquisition Execution

Acquiring a pipeline requires an elevated level of financing capacity and a strong financial base to support it. CSIF has a stable lender formation of 22 financial institutions, mainly Mitsubishi UFJ Bank, SBI Shinsei Bank, Mizuho Bank and Sumitomo Mitsui Trust Bank. It also has extremely high fund-raising capability. This fund-raising structure is being strengthened day by day as CSIF continues to have a track record of stably controlling LTV at around 50%. In addition, the fixed interest rate ratio of the interest rates on loans obtained from these financial institutions is high at around 90% and it can be said that the company has a strong interest rate escalation framework.

Figure 32: Market Capitalization of Each Infrastructure Fund (¥ mn)

Investment Corporation	1H 2020	2H 2020	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	Latest
Canadian Solar Infrastructure	26,379	30,841	48,912	47,443	47,365	47,945	47,017	50,551	44,588	34,514	33,264
Enex Infrastructure	8,475	8,218	33,022	30,719	31,905	32,988	37,702	48,624	45,059	31,915	26,512
Japan Infrastructure Fund	6,914	7,200	13,418	12,327	19,750	23,167	33,803	32,827	35,665	24,508	19,326
Tokyo Infrastructure Energy	4,641	10,356	11,467	10,711	10,922	16,545	16,402	15,541	14,251	8,452	7,860
Ichigo Green Infrastructure	5,900	6,445	7,136	6,950	7,321	7,362	7,496	7,311	6,961	4,479	4,520

*Infrastructure Investment Corp. has two fiscal years, one ending in June/December and the other in May/November and the figures for the May and June fiscal years are shown in H1.

Source: Prepared by Strategy Advisors. Based on Company Data

3) Business Value That is Not Factored into Market Capitalization

Only the Next 25~30 years are Factored into the Property Valuation

The current property valuation based on third-party reports is conducted over a period of 25~30 years, which is the FIT period of 20 plus 5~10 years,. The market capitalization of the Infrastructure Fund is also a figure formed based on 25~30 years of property evaluation. However, since the grid is linked, it does not actually mean that power generation will not be lost after 25~30 years; and profits can be obtained through repowering in FIP and Post FIT, corporate PPA, and the use of storage batteries. The value of business after 25~30 years has not been factored into the current market capitalization and if the market's awareness of this reality increases, it may lead to an increase in stock prices.

8. Risk Factors

Although there are no major risks to keep watch off at this point, the following four risks can be identified as they may prevent the company's performance from growing as much as planned.

① There is a risk of reduced power generation if weather conditions worsen. However, the minimum guaranteed rent (70% of the rental income achievable with a 50% probability of success) will not be less than the minimum rent.

② There is a risk of damage to the power plant due to earthquakes, typhoons, landslides, etc. However, since all of the power plants owned by CSIF use CSIQ panels, with the exception of some power plants, it is considered to be easier to restore than other infrastructure funds, where panel manufacturers vary from power plant to power plant. In addition, the majority of the damage amount is covered by non-life insurance (property, profit). However, there are cases where theft of copper wire is not covered by non-life insurance.

③ There is a risk that the amount of power generated will decrease due to output curtailment. However, CSIF has made it possible to limit output curtailment to peak hours of power generation by promoting the introduction of online output curtailment devices, so that the expected lost variable rent can be kept to a certain extent. Since the current earnings forecast incorporates the outlook for long-term output curtailment by a third-party organization; if the degree of output curtailment is smaller than the forecast, it may lead to an increase in the earnings forecast.

④ At present, the period during which corporate tax is effectively exempt due to conduitability is limited to 20 years after listing, so there is a risk that the tax burden will increase in the future unless the system is revised.

⑤ There is a risk that costs will increase due to changes in the system. For example, from April 2022, mandatory accumulation of disposal costs for solar power generation facilities was introduced. In addition, from April 2024, a system of charging on the power generation side will be introduced and power generation companies will also bear part of the maintenance and expansion costs of transmission and distribution facilities that have been borne by retailers until now. However, there is currently no additional burden on CSIF for those that have obtained FIT certification and those that have obtained FIP certification before March 31, 2024, as they are not subject to charge during the FIT/FIP purchase period.

Figure 33: Income Statement (¥ mn)

FY End	20/12	21/6	21/12	22/6	22/12	23/6	23/12	24/6	24/12	25/6 CoE
Sales (Rental Revenues)	**2,414**	**3,425**	**3,587**	**4,061**	**3,715**	**3,453**	**4,538**	**4,368**	**4,455**	**4,683**
YoY	15.6%	46.9%	48.6%	18.6%	3.6%	-15.0%	22.2%	26.5%	-1.8%	7.2%
Operating Expenses	1,555	1,966	2,243	2,317	2,332	2,297	2,691	2,759	2,769	2,909
Rental Expense	1,409	1,781	2,034	2,091	2.115	2,083	2,415	2,483	2,491	
Asset Management Fees	61	88	112	127	116	109	169	166	170	
Administrative Service Fees	19	23	28	28	27	29	28	31	29	
Director's Compensation	2	2	2	2	2	2	2	2	2	
Taxes & Duties	0	2	0	0	0	0	3	0	0	
Others	63	69	67	68	72	73	74	77	75	
Operating Income	**858**	**1,459**	**1,345**	**1,744**	**1,383**	**1,156**	**1,847**	**1,608**	**1,687**	**1,774**
OPM	35.5%	42.6%	37.5%	42.9%	37.2%	33.5%	40.7%	36.8%	37.9%	37.9%
Non-Operating Income	37	91	9	3	40	57	2	9	32	
Interest Income	0	0	0	0	0	0	0	0	2	
Dividends	-	0	-	0	-	0	-	0	-	
Gain on Forfeiture of Unclaimed Dividends	-	-	-	-	-	0	1	1	1	
Insurance Income	1	79	8	-	39	57	-	0	29	
Guarantee Commission Received	-	-	-	-	-	-	1	-	0	
Interest on Refunds	-	0	0	-	-	-	-	1	-	
Miscellaneous Income	36	12	0	3	0	0	0	-	-	
Non-Operating Expenses	178	476	230	237	209	209	462	255	265	454
Interest Expense	111	147	160	151	149	141	184	186	186	
Interest on Investment Corporation Bonds	4	17	19	19	19	19	19	19	22	
Investment Corporation Bond Issuance Costs	1	3	3	3	3	3	3	3	3	
Borrowing-Related Expenses	57	213	38	38	38	38	213	47	51	
Ordinary Income	**717**	**1,074**	**1,123**	**1,510**	**1,214**	**1,004**	**1,387**	**1,362**	**1,454**	**1,320**
ROS	29.7%	31.4%	31.3%	37.2%	32.7%	29.1%	30.6%	31.2%	32.6%	28.2%
Income Before Income Taxes	**717**	**1,074**	**1,123**	**1,510**	**1,214**	**1,004**	**1,387**	**1,362**	**1,454**	
Total Income Taxes	1	1	1	1	1	1	1	1	1	
Net Income	**716**	**1,073**	**1,122**	**1,509**	**1,213**	**1,003**	**1,386**	**1,361**	**1,453**	**1,319**
NPM	29.7%	31.3%	31.3%	37.2%	32.7%	29.0%	30.5%	31.2%	32.6%	28.2%

Source: Company Data

Figure 34: Balance Sheet (¥ mn)

FY End	20/12	21/6	21/12	22/6	22/12	23/6	23/12	24/6	24/12
Cash and Bank Deposits	2,829	4,612	5,101	5,082	5,272	4,990	5,911	6,082	5,241
Operating Accounts Receivable	362	1,007	757	1,149	799	1,036	947	1,385	889
Prepaid Expenses	156	135	224	164	263	181	337	245	360
Others	-	75	-	-	13	-	-	45	83
Total Current Assets	**3,375**	**8,352**	**6,141**	**6,470**	**6,406**	**6,253**	**8,21/6**	**7,756**	**6,574**
Structures (Net)	937	920	898	884	864	849	837	815	793
Machinery & Equipment (Net)	37,710	36,848	36,001	35,104	34,277	33,418	33,352	32,484	31,873
Tools, Furniture & Fixtures (Net)	523	512	500	488	477	466	454	443	434
Land	4,485	4,506	4,506	4,506	4,506	4,506	4,571	4,571	4,673
Structures in Trust (Net)	33	6,481	6,369	6,250	6,149	6,026	7,217	7,073	6,926
Machinery & Equipment in Trust (Net)	768	19,979	19,567	19,165	18,742	18,318	30,406	29,754	29,103
Tools, Furniture & Fixtures in Trust (Net)	3	92	90	88	87	85	123	119	117
Land in Trust	117	4,771	4,770	4,770	4,770	4,770	6,949	6,949	6,949
Construction in Progress in Trust	-	-	-	-	-	4	4	4	4
Total Property & Equipment	**44,593**	**74,116**	**72,702**	**71,255**	**69,871**	**68,444**	**83,913**	**82,214**	**80,872**
Total Intangible Assets	**755**	**1,157**	**1,157**	**1,160**	**1,159**	**1,159**	**1,489**	**1,489**	**1,488**
Total Investment & Other Assets	**323**	**651**	**612**	**574**	**535**	**497**	**985**	**926**	**868**
Total Fixed Assets	**45,617**	**75,924**	**74,472**	**72,988**	**71,565**	**70,100**	**86,386**	**84,628**	**83,229**
Total Assets	**49,052**	**84,299**	**80,633**	**79,476**	**77,986**	**76,365**	**95,017**	**92,391**	**89,813**
Operating Accounts Payable	68	80	47	70	87	56	101	93	107
Accounts Payable & Accrued Expenses	212	411	259	309	285	280	345	447	385
Short-Term Loan Payable	6,518	2,270	2,249	2,262	2,275	2,267	5,100	3,981	2,935
Others	37	40	307	149	80	86	66	372	106
Total Current Liabilities	**6,835**	**2,801**	**2,862**	**2,790**	**2,727**	**2,689**	**5,612**	**4,802**	**3,533**
Long-Term Loan Payable	19,524	36,206	32,788	31,644	30,513	29,376	38,876	37,397	35,941
Investment Corporation Bond	1,100	4,900	4,900	4,900	4,900	4,900	3,800	3,800	3,800
Total Non-Current Liabilities	**20,24/6**	**41,106**	**37,688**	**36,544**	**35,413**	**34,276**	**42,747**	**41,265**	**41,208**
Total Liabilities	**27,460**	**43,908**	**40,550**	**39,334**	**38,140**	**36,966**	**48,359**	**46,066**	**44,742**
Unitholders' Capital, Net	20,876	39,318	38,961	38,633	38,632	38,397	45,272	44,963	43,619
Surplus	717	1,073	1,122	1,509	1,214	1,003	1,386	1,361	1,453
Total Net Assets	**21,593**	**40,391**	**40,083**	**40,142**	**39,846**	**39,400**	**46,658**	**46,325**	**45,072**
Total Liabilities & Net Assets	**49,052**	**84,299**	**80,633**	**79,476**	**77,986**	**76,365**	**95,017**	**92,391**	**89,813**

Source: Company Data

Figure 35: Cash Flow Statement (¥ mn)

FY End	20/12	21/6	21/12	22/6	22/12	23/6	23/12	24/6	24/12
Income Before Income Taxes	717	1,074	1,123	1,510	1,214	1,004	1,387	1,362	1,454
Depreciation Cost	914	1,259	1,452	1,453	1,454	1,455	1,695	1,730	1,733
Decrease (Increase) in Operating Accounts Receivable	116	-645	250	-391	350	-237	89	-438	496
Decrease (Increase) in Consumption Taxes Receivable	-26	-2,468	2,493	-	-	-	-1,385	1,385	-
Decrease (Increase) in Long-Term Prepaid Expenses	15	-337	39	39	39	39	-471	58	58
Other Operating Cash Flows	-228	50	232	-8	-169	78	-8	398	-188
Cash flows from operating activities	**1,508**	**-1,067**	**5,589**	**2,603**	**2,888**	**2,339**	**1,307**	**4,495**	**3,553**
Purchases of Property and Equipment	-647	-30,614	-230	-37	-72	-25	-17,169	-29	-373
Purchases of Intangible Assets	-	-403	-	-3	-1	-1	-255	-4	-
Cash Flows from Investing Activities	**-654**	**-31,017**	**-230**	**-40**	**-73**	**-26**	**-17,441**	**-33**	**-373**
Proceeds from Short-Term Loans Payable	-	-	-	-	-	-	1,100	-	
Proceeds from Long-Term Loans Payable	1,000	23,100	-	-	-	-	11,600	-	-
Repayment of Long-Term Loans Payable	-790	-6,866	-3,439	-1,132	-1,117	-1,145	-1,467	-1,498	1,393
Issuance of Shares	-	18,508	-	-	-	-	7,272	-	-2,503
Dividends Paid	-855	-855	-1,431	-1,450	-1,509	-1,450	-1,450	-1,694	-
Cash Flows from Financing Activities	**-654**	**33,868**	**-4,870**	**-2,582**	**-2,626**	**-2,595**	**17,055**	**-4,292**	-1,000
									-1,705
Free Cash Flow	854	-32,804	5,359	2,563	2,815	2,313	-16,134	4,462	**-3,815**
									2,974

Source: Company Data

Figure 36: Stock Indicators & KPI's

FY End	20/12	21/6	21/12	22/6	22/12	23/6	23/12	24/6	24/12	25/6 CoE
EPS (¥)	3,099	3,234	2,902	3,902	3,138	2,594	3,111	3,012	3,256	2,998
BPS (¥)	93,397	104,463	103,665	103,818	103,053	101,898	103,280	102,543	102,436	
Dividend Per Share (¥)	3,700	3,700	3,750	3,903	3,750	3,750	3,750	3,775	3,310	3,281
Dividend Payout Ratio	119.4%	133.4%	129.2%	100.0%	119.5%	144.6%	22/12%	-	100.2%	
Closing Price (¥)	133,400	126,500	122,700	122,500	124,000	121,600	111,900	98,700	76,400	
PER (Times)	43.0	39.1	42.3	31.4	39.5	46.9	36.0	32.8	23.8	
PBR (Times)	1.4	1.2	1.2	1.2	1.2	1.2	1.1	1.0	0.8	
Number of Shares Issued (ts)	231	387	387	387	387	387	452	452	440	440
Number of Treasury Stock ('000)	0	0	0	0	0	0	0	0	0	
Number of Shares of Treasury Stock Excluded ('000)	231	387	387	387	387	387	452	452	440	
Market Capitalization (¥ mn)	30,841	48,912	47,443	47,365	47,945	47,017	50,551	44,588	34,514	
Shareholders' Equity Ratio	44.0%	47.9%	49.7%	50.5%	51.1%	51.6%	49.1%	50.1%	50.2%	
Interest-Bearing Debt	27,142	43,377	39,937	38,805	37,688	36,544	47,776	45,179	44,076	
D/E Ratio	1.1	1.0	0.9	0.8	0.8	0.8	0.9	0.8	0.9	
EV (Enterprise Value)	55,154	87,677	82,279	81,088	80,361	78,571	92,416	83,685	73,349	
EBITDA (¥ mn)	1,772	2,718	2,797	3,197	2,837	2,611	3,542	3,338	3,420	
EV/EBITDA Multiple	31.1	32.3	29.4	25.4	28.3	30.1	26.1	25.1	21.4	
ROE	3.3%	3.5%	2.8%	3.8%	3.0%	2.5%	3.2%	2.9%	3.2%	
ROIC (Capital Invested)	1.8%	2.2%	1.6%	2.2%	1.8%	1.5%	2.2%	1.7%	1.9%	
ROIC (Business Assets)	1.9%	2.4%	1.8%	2.4%	1.9%	1.6%	2.4%	1.9%	2.0%	
Total Output Capacity (MW)	123.0	183.9	183.9	183.9	183.9	183.9	227.6	226.4	227.6	

Source: Company Data

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