

June 20, 2022

For Immediate Release

Investment Corporation

Canadian Solar Infrastructure Fund, Inc.

Representative: Hiroshi Yanagisawa
Executive Officer
(Securities Code: 9284,
Infrastructure Fund Market)

Asset Manager

Canadian Solar Asset Management K.K.

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Notice Concerning the Response of Canadian Solar Infrastructure Fund's Asset Management Group to the Special Committee's Response

Canadian Solar Infrastructure Fund (hereinafter referred to as "CSIF") hereby announce that it had received a notice from Canadian Solar Asset Management K.K. (hereinafter referred to as "CSAM"), the asset management company of CSIF, and Canadian Solar Projects K.K., the sponsor of CSIF (hereinafter referred to as the "Sponsor" and collectively with CSAM, the "CSAM Group"), that CSAM Group had received a response letter from the Special Committee of Renewable Japan Energy Infrastructure Fund (hereinafter referred to as the "RJIF") as described in the press release titled "Notice of the Special Committee's Response to Canadian Solar Infrastructure Fund's Asset Management Company Group's Proposal (hereinafter referred to as the "Proposal") dated June 13, 2022" (hereinafter referred to as the "RJIF Press Release") which was issued on June 17, 2022. CSAM group reported that as described in the RJIF Press Release, the letter from the Special Committee of the RJIF (hereinafter referred to as the "Special Committee") states that the Special Committee decided they will not request Limited Liability Company RJ7 (the "Tender Offeror") to extend the period of the Tender Offer until August 5, 2022.

According to CSAM Group, RJIF has decided not to make the extension request due to the time constraints related to the Tender Offer. However, the CSAM Group still strongly believes that the Proposal will contribute to maximizing the value of RJIF and the common interests of its unitholders. Therefore, considering the Special Committee's view in its response that it has an intention to

continue to seriously and carefully consider the Proposal and will engage in necessary and appropriate communication with CSAM Group, CSAM Group has sent the response (hereinafter referred to as the “Response”) to the Special Committee for the purpose of explaining the reasons of the Proposal again in order to reconsider and discuss the Proposal.

For the contents of this Response, please refer to the “Response to “Response to “Your Proposal” dated June 13, 2022”, dated June 17, 2022, which is attached hereto as an Exhibit.

If any matters arise regarding this proposal that should be disclosed in the future, we will disclose them in a timely and appropriate manner.

End

*Note: “The CSAM Group” includes the Sponsor, so the above expressions are hearsay from third parties, but when the CSAM is the main entity, it also includes the meaning of its own recognition and actions.

URL of CSIF: <https://www.canadiansolarinfra.com/en/>

(Original Letter in Japanese and for Translation Purpose Only in English)

June 20, 2022

Renewable Japan Energy Infrastructure Fund Inc.

To: Board of Directors

To: Special Committee

Canadian Solar Asset Management K.K.
Hiroshi Yanagisawa, CEO and Representative Director
Canadian Solar Projects K.K.
Ryota Yamada, Representative Director

Response to “Response to “Your Proposal” dated June 13, 2022”, dated June 17, 2022

Dear Sir or Madam

We would like to take this opportunity to express our sincere appreciation for your continued support.

We would like to express our sincere gratitude for your response to our “Letter of Proposal” dated June 13, 2022 (hereinafter referred to as the “Proposal”) as stated in your response “Response to “Letter of Proposal” dated June 13, 2022”, dated June 17, 2022.

In this response, Renewable Japan Energy Infrastructure Fund (hereinafter referred to as the “RJIF”) states that, as a result of consideration of the contents of the Proposal by your Special Committee, RJIF has decided not to request Limited Liability Company RJ7 (hereinafter referred to as the “Tender Offeror”) to extend the Tender Offer Period until August 5, 2022 (hereinafter referred to as the “Extension Request”).

This response states that the decision by your Special Committee not to make this extension request as of June 17, 2022 is due to the time constraints related to the Tender Offer, and does not indicate that your Special Committee will not consider this proposal in the future. According to the response, The Special Committee will continue to give serious and careful consideration to the Proposal, and will seek the advice of Canadian Solar Asset Management K.K. (hereinafter referred to as the “CSAM”) and Canadian Solar Projects K.K. (hereinafter referred to as the “CSP”). We understand

that CSAM and CSP will be able to discuss the Proposal as necessary and sufficient in the future. We appreciate again the opportunity of your consideration to the Proposal.

Again, since we still strongly believe that this proposal will contribute to maximizing the value of your infrastructure fund and the common interests of its unitholders, we would like to reiterate our reasons for this proposal and ask you to reconsider the Extension Request.

Sincerely yours

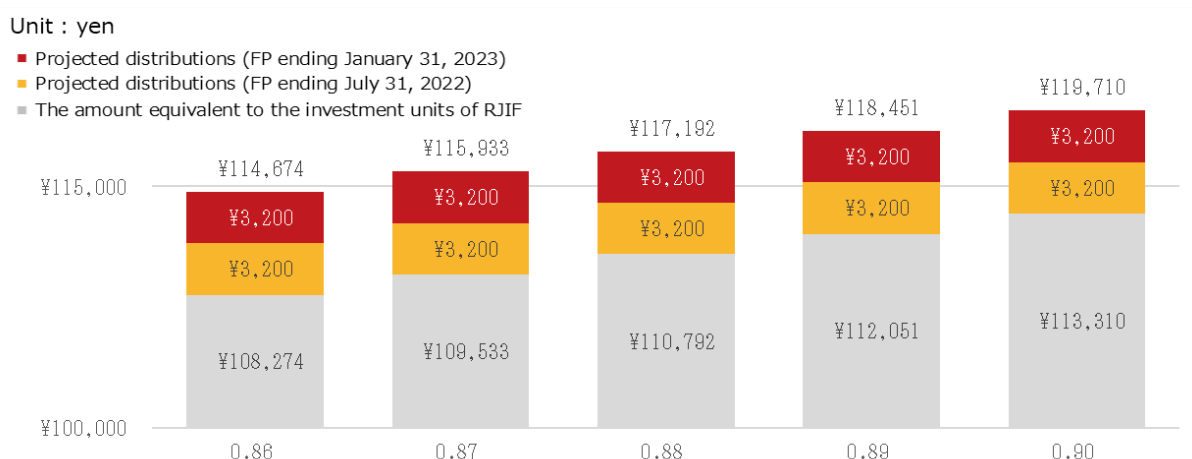
(1) Economics of the Proposal for Unitholders of the Investment Fund

In the "Response to the Proposal dated June 13, 2022," you responded that "At this point in time, the terms and conditions of the Proposal, including the merger ratio, cannot be judged to be clearly superior to the terms and conditions of the Tender Offer, including the Tender Offer Price. We assume that this point is regarding the fact that the investment unit price calculated based on the merger ratio stated in the proposal and the current market price of investment units of Canadian Solar Infrastructure Fund Inc. (the surviving corporation in the absorption-type merger, hereinafter referred to as "CSIF") is lower than the Tender Offer Price. However, as stated in the "Letter of Proposal dated June 13, 2022," the allocation related to the merger under the Proposal (hereinafter referred to as the "Merger") will be made at a ratio of **0.86 or more** for RJIF (the absorbed corporation) to CSIF, and such ratio represent the minimum standard based on public information and distribution amounts at this point in time. We believe that it is quite possible that we will propose and discuss a **merger ratio higher than 0.86** after carefully examining the effects of the merger through due diligence.

Therefore, even though we are unable to make a decision at this time, we are confident that after further discussions, including due diligence, you will decide that the Merger will contribute to increasing the equity value of your unitholders.

Based on the assumed merger ratio of 0.86 or more and the closing price of CSIF's units on June 17, 2022 of 125,900 yen, the unit price of your unitholders is valued at 108,274 yen or more, which is less than the Tender Offer Price of 115,000 yen. However, under the schedule of the Merger as contemplated by CSAM and CSP, unitholders of RJIF will receive distributions of 3,200 yen per unit on July 31, 2022 and January 31, 2023, respectively, and after the Merger, unitholders will continue to receive distributions at or above the current level. **Therefore, we believe that the difference between the Tender Offer Price and the Tender Offer Price of 115,000 yen can be recovered in a relatively short period of time by continuing to hold the investment units of the combined Investment Fund after the Merger,** as shown in the chart below. Please note that the calculation results shown below are reference purpose only, based on the current CSIF unit price and RJIF's distribution forecast, and are not a guarantee of the amount equivalent to RJIF's units, nor a confirmation request of the RJIF distributions to be distributed.

Image of the economic value of RJIF unitholders to continuously hold the units by each merger ratio



In addition, as announced by CSIF on June 20, 2022 in the "Notice Concerning the Revision of Earnings Forecast for the Fiscal Period Ending June 30, 2022," CSIF has increased its forecasted distribution per unit by 50 yen from the initial 3,750 yen to 3,800 yen. CSIF intends to manage its assets with the same policy of distributing to unitholders by increasing distributions to the extent possible after the merger.

Moreover, in the case of the Tender Offer, capital gains earned by unitholders of RJIF will be taxed, but in the case of the Merger, taxation will be deferred and it is assumed that unitholders will be able to hold investment units of the post-merger investment fund without taxation. **Therefore, we believe that unitholders can enjoy more benefits of continuous holding by comparing actual net proceeds after taxation from the Tender Offer Price of 115,000 yen and continuous receipt of distributions through continuous holding of investment units of the post-merger investment fund.**

(2) Merger Ratio

We believe that the implementation of the Merger can be expected to generate a reasonable amount of synergy effects, as described below, and that as a result, it will resolve various issues that RJIF faces regarding business continuity and contribute to maximizing the value of RJIF and the common interests of your unitholders. Therefore, although the merger ratio will be determined after due diligence and further discussions, we believe that there is sufficient room to consider a ratio **higher than 0.86**.

As a result of the Merger, the largest infrastructure fund in the Tokyo Stock Exchange (TSE) Infrastructure fund market will be created, and this expansion of asset size is expected to make the Fund the target of investment by a diverse range of domestic and foreign institutional investors, improvement of liquidity, leading to higher multiples and investment unit prices, and increasing the probability of raising funds to acquire properties. In addition, we expect to increase our influence in lobbying the authorities to resolve the various issues that the current listed infrastructure fund system faces, which we have been working on for some time, and further contribute to the development of the TSE infrastructure fund market as an opinion leader.

i. Strengthen property supply and property acquisition capabilities

CSIF has a strong and abundant sponsor pipeline from Canadian Solar Group ("CS Group"), one of the top five global solar panel companies, and its total sponsor portfolio as of the end of December 2021, including the Azuma-Kofuji Project in Fukushima Prefecture, one of the largest project (100 MW) in Japan, which started construction in 2021, amounts to 30 properties with a total capacity of 390.9MW, including assets under development. In addition, CS Group established Japan Green Infrastructure Fund, a solar power plant development fund, together with outside investors to accelerate the development of solar power plants as a group. CSIF has preferential negotiating rights over the fund's equity in the development projects as well as the sponsor's development projects.

CSIF will be able to continuously supply and expand property acquisitions through these sponsor pipelines, property acquisition routes from third parties using CSAM's own network, and warehousing functions utilizing bridge funds and sponsors' balance sheets.

ii. Stabilization of management through portfolio diversification

RJIF has a well-balanced portfolio of 55 properties nationwide, the largest among listed infrastructure funds. On the other hand, CSIF has the largest portfolio as a listed infrastructure fund with 184MW and achieves efficient operations with an average panel output of 7.4MW

per power plant, a large portfolio compared to yours (2.0MW). The merger will result in portfolio diversification as a whole, as well as improved efficiency for RJIF and regional diversification for CSIF. In addition, CSIF's large portfolio of CS Hiji-machi No. 2 Power Plant (Oita Prefecture, 53.4MW), CS Mashiki-machi Power Plant (Kumamoto Prefecture, 47.7MW), and CS Daisen-cho Power Plant (Tottori Prefecture, 27.3MW) are operated based on forecasts that incorporate future curtailment projection and online curtailment systems installation, and are expected to provide stable distribution.

iii. Reduction of asset management fees and other management and operating expenses

The merger is expected to unify the asset management company, general administration trustee, auditor, etc., as well as optimize O&M operations, resulting in a decrease in overall operating expenses for the merged investment fund. In particular, the ratio of management fees paid by RJIF and CSIF to the asset management company will be 0.38% (average for the periods ending July 31, 2021 and January 31, 2022) for RJIF and 0.14% (average for the periods ending June 30, 2021 and December 31, 2021) for CSIF on an asset under management (acquisition price basis). The difference is 0.24% (average for the period ending June 30, 2021 and the period ending December 31, 2021). By aligning RJIF management fee ratio to that of CSIF which pays to CSAM, a reduction of approximately 192 million yen per year is expected. CSAM and CSP estimate that this will result in an increase of approximately 961 yen/unit per unit per year.

iv. Stabilization of earnings by eliminating the risk of rising interest rates

CSIF has fully fixed its interest rate as of December 31, 2021. In addition, CSIF has secured sufficient fund-raising capacity with an LTV of 51.75% as of December 2021, while diversifying its fund-raising methods, such as issuing the first publicly offered investment corporation bonds as a listed infrastructure fund in January 2021. The post-merger investment fund is expected to improve its credit rating associated with enhanced profitability, continuity, and stability through each of the preceding items. While improving profitability by reducing interest on borrowings, it is expected to fix borrowing interest rates similar to CSIF (fixed interest rate ratio of RJIF: 24.5% (as of the end of January 2022)), and also seek to stabilize profitability by eliminating the risk of rising interest rates.

v. Ensure sustainability of business operations

The lease agreements between the post-merger investment fund and the special purpose companies (“SPC”) specializing in the leasing of renewable energy generation facilities, etc. and in the power generation and sales business will be reviewed based on the terms and conditions in the CSIF (base rent: projected power generation (P50) x (100-Y)%* x 70% x purchase price;

performance-linked rent: actual power generation $\times (100-Y)\%$ \times (x purchase price) - base rent) will be reviewed based on the following conditions. In addition, the effects of the expansion of asset scale, etc. through the Merger and the know-how of the CS Group will reduce the costs of the post-merger investment fund and maintain and improve the economic efficiency for RJIF and RJIF's unitholders, thereby ensuring the sustainability and continuity of the post-merger investment fund within the framework of the current listed infrastructure fund. The merger will ensure the sustainability and continuity of the merged investment fund within the framework of the current listed infrastructure fund.

*. Y% means the percentage of the amount equivalent to lessee operating expenses and operator fees; the level of Y% will vary for each asset held, but will be either 3.5%, 4.0%, or 5.0%.

The distribution amount of 3,750 yen per unit for the fiscal period ending December 31, 2021 of CSIF consists of distributions from earnings of 2,902 yen and distributions in excess of earnings of 848 yen, which account for 77% and 23%, respectively, of the total distributions from earnings and distributions in excess of earnings. The distribution amount of 3,200 yen per unit for the fiscal period ending January 31, 2022 of RJIF consists of a distribution from earnings of 2,090 yen and a distribution in excess of earnings of 1,110 yen, and the distributions from earnings and distributions in excess of earnings account for 65% and 35% of the total distribution amount, respectively. If there is no change in the dividend amount after the Merger, the post-merger investment fund will account for 74% and 26% of the total distributions from earnings and distributions in excess of earnings, respectively, which will result in an increase in the ratio of distributions from earnings to the total distributions and the amount of distributions from earnings for unitholders of RJIF, and in this regard, the combined Investment Fund will be able to maintain stable distributions. Also, as announced in the "Notice Concerning the Revision to the Earnings Forecast for the Fiscal Period Ending June 30, 2022" released by CSIF on June 20, 2022, CSIF has revised its distribution forecast by 50 yen from the initial 3,750 yen to 3,800 yen per unit, and further in this revision of the distribution increase, the increase in EPU (Earnings per Unit) is 504 yen. CSAM believes that the same effect can be expected for the post-merger investment corporation.

(3) The probability of executing the transaction

According to the "Response to the 'Proposal' dated June 13, 2022," you have judged that "the Proposal is subject to multiple preconditions and the probability of executing the transaction is not high compared to the Tender Offer". However, CSAM Group believe that the preconditions attached to the Proposal are very common in terms of industry practice standard and CSIF's duty of care to its unitholders.

On the other hand, since the implementation of due diligence, etc. is included in the preconditions, we think it is natural that the probability of the execution of the transaction is low in comparison with the Tender Offer in which due diligence has already been conducted.

However, this proposal is a merger proposal between listed infrastructure funds, both of which have a very limited scope of business, etc., and most of the important information has already been disclosed to the public. We believe that it will be possible to consider the Merger, including due diligence, in a fairly short period of time, given the fact that many of the important information is already publicly available, and that the assets owned by both investment corporations are only facilities and real estate related to solar power plants which are common in nature, and both parties have related parties to develop, manage and operate those assets.

In the first place, this proposal is based on a request to the Offeror to extend the Tender Offer period until August 5, 2022 (the "Request for Extension of Tender Offer Period"). The main purpose of the Request for Extension is to provide unitholders of RJIF with an opportunity to make a final decision on the better choice for themselves, taking into account of the probability of the Transaction and major terms and conditions of the Merger, after presenting such major terms and conditions of the Merger to them within the extended period. Given that this proposal is proposed as an alternative offer after the announcement of the Tender Offeror in which you had stated that you are available to accept alternative offer, it is unavoidable that the probability of the transaction is not high compared to the Tender Offer. Also, since this is a merger proposal, the probability of the transaction should be increased through the discussion and review with you.

Focusing solely on this request for extension of the Tender Offer Period, we understand that the loss incurred by your unitholders will be very limited, while the benefits to your unitholders as described in "1. Economics of the Proposal for Unitholders of the Investment Fund" and "2. Merger Ration", we understand that, from the perspective of your duty of care to your unitholders, you will at least accept our request for an extension and provide your unitholders with an opportunity to make a decision. Although it was your decision as of June 17, 2022 not to make a request for this postponement request in light of the deadline for responding to the request and the time constraints related to the Tender Offer, **in view of the fact that your special committee was established for the**

purpose of preventing arbitrary decisions by your directors regarding the Tender Offer and ensuring its fairness and transparency, and in light of your duty of care owed to your unitholders, we understand that you will request to the Tender Offeror to extend the Tender Offer Period and initiate the appropriate communication with CSAM and CSP in order to carefully consider the proposal to provide unitholders with an opportunity to make a proper decision.

In addition, you have described the issues faced by RJIF as the cause of the Tender Offer. The issues are such as the number of cases RJIF is unable to consider the acquisition of renewable energy power generation facilities, etc. due to the recent upward trend in the purchase price of such facilities, which may adversely affect RJIF's profitability, or the fact that the main sponsor and operator of RJIF and Renewable Japan Corporation (hereinafter referred to as "Renewable Japan"), the parent company of the Tender Offeror, may be adversely affected due to setting lease terms favorable to RJIF. It has been explained that the continuation of "negative spread" at Renewable Japan may make it difficult for RJIF to maintain and improve stable profitability in the future, which may result in a decrease in distributions. These explanations suggest that the price of your investment units may decline in the future, and from the perspective of your unitholders, there are not a few unitholders who believe that they have no choice but to accept the Tender Offer in order to avoid economic losses caused by the decline in the price of their investment units if the Tender Offer is unsuccessful. In the midst of the coercive transaction structure of the Tender Offer, we believe that the offer itself will benefit unitholders of RJIF from the perspective of providing the concept of comparative consideration in the form of an alternative proposal from a third party.

Therefore, we believe that it will contribute to maximizing the common interests of unitholders of RJIF to increase the probability of the execution of the proposed transaction through proactive action by RJIF to consider the Merger after accepting the discussions, including the implementation of due diligence.

(4) This proposal as an alternative corporate value enhancement measure

The Special Committee has considered the "possibility of alternative corporate value enhancement measures, etc. other than the Tender Offer" and concluded that "If a third party other than the Offeror acquires the Fund or provides an operational support system on behalf of Renewable Japan Group while maintaining a guaranteed rent level (fixed rent) higher than the industry standard based on the total expected power generation (P50), it could be an alternative effective measure to enhance corporate value. However, the Tender Offerors have explained that it is difficult to envision an operator that can maintain this leasing scheme on terms more favorable to RJIF than the operator

SPC, and the Tender Offerors' explanation is not necessarily unreasonable given the circumstances, etc., in which "negative spread" is occurring at the Tender Offerors." We understand that the Tender Offerors cite this as the reason for the rationality of the Tender Offer.

On the other hand, considering that listed infrastructure funds have a strong conflict of interest structure between the sponsor group and general unitholders and that there is a large asymmetry of information, we believe it is necessary to evaluate the **"negative spread" under the sponsor group's business model as a whole** from the perspective of maximizing the value of the RJIF and the common interests of unitholders, and scrutinize the actual situation and the possibility that such "negative spread" will continue in the future. We believe that it is necessary to evaluate the sponsor group's business model as a whole from the perspective of maximizing the value of the Investment Fund and the common interests of its unitholders, and to scrutinize the actual situation and the possibility of the continuation of such "negative spread. Although the Special Committee is composed of experts in various fields, we suppose the Special Committee does not have extensive knowledge of the business structure and characteristics of the photovoltaic power generation business and therefore, we assume that it was difficult for you to make such an assessment. On the other hand, CSAM and CSP, which are the sponsors of CSIF and do the same business as the Renewable Japan Group, believe that we will be able to propose a merger ratio that takes into account their assessment of the "negative spread" and the "negative spread" of the Renewable Japan Group through discussions regarding this proposal and due diligence with you.

The proposal is to increase the variable portion of RJIF which will result in a certain level of volatility of income for RJIF, while decreasing your costs (CSAM and CSP income), thereby increasing RJIF's overall income. CSAM and CSP, based on their track record in providing operational support to CSIF, do not anticipate any "negative spread" in the management support structure for you, and will establish an operational support structure that is satisfactory to your unitholders through discussions and due diligence with you.

CSAM and CSP belong to the CS Group, which operates a global, vertically integrated solar power generation business. CSAM and CSP are unlikely to be positioned inferior to your company in the group in the future, as you have been concerned about the Renewable Japan Group, and CSAM and CSP will be able to maintain and improve your company's stable profitability and provide stable support to unitholders by providing continuous operational support. We believe that CSAM and CSP can be expected to maintain and improve RJIF's stable profitability and maintain and improve stable distributions to unitholders by providing continuous support for RJIF's operations. We believe that this is a new structure that the Special Committee has not envisioned.

In light of the above, when comparing and evaluating the proposals of CSAM and CSP with the Tender Offer, we would appreciate your careful consideration from the perspective of maximizing the value of RJIF and the common interests of unitholders, which is the main purpose of your Special Committee.

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