

For Translation Purposes Only

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 (Securities Code: 9286)

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Notice Concerning Management Status Forecasts for the Fiscal Period Ending November 2019 and
 Fiscal Period Ending November 2020

Enex Infrastructure Investment Corporation (hereinafter “EII”) announces the management status forecasts for the fiscal period ending November 2019 (December 1, 2018, to November 30, 2019) and the fiscal period ending November 2020 (December 1, 2019, to November 30, 2020) as follows.

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distribution in excess of earnings)	Distribution per unit (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit
Fiscal period ending November 2019 (2nd fiscal period)	1,256 million yen	428 million yen	309 million yen	308 million yen	5,953 yen	3,064 yen	2,889 yen
Fiscal period ending November 2020 (3rd fiscal period)	1,488 million yen	293 million yen	202 million yen	200 million yen	5,936 yen	2,102 yen	3,834 yen

(Reference) Fiscal period ending November 2019: Forecast number of investment units issued and outstanding at the end of period: 95,500 units; Forecast net income per unit: 3,226 yen
 Fiscal period ending November 2020: Forecast number of investment units issued and outstanding at the end of period: 95,500 units; Forecast net income per unit: 2,102 yen

(Note 1) The operating period of EII is one year from December 1 of each year to November 30 of the following year. The operating period in practice for the fiscal period ending November 2019 is 291 days from February 13, 2019, when the properties were acquired, to November 30, 2019.

(Note 2) EII will not record the property taxes in fiscal 2019 for the solar power generation facilities (total of 5 properties) to be newly acquired as of today (hereinafter the “Assets to be Acquired”) as expenses. Property taxes which will incur thereafter are scheduled to be recorded as expenses from the fiscal period ending November 2020.

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(Note 3) The management status forecasts for the fiscal period ending November 2019 and fiscal period ending November 2020 are as of the date of this document and are calculated based on the assumptions described in the attachment “Assumptions of Forecast of Management Status for the Fiscal Period Ending November 2019 and Fiscal Period Ending November 2020.” Therefore, the actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distribution in excess of earnings), distribution in excess of earnings per unit, and distribution per unit (including distributions in excess of earnings) may be subject to change due to future acquisition or sale of renewable energy power generation facilities, trends in the infrastructure market, fluctuations of interest rates, number of new investment units which will be actually determined, issuance of additional investment units, or change in other factors surrounding EII going forward. In addition, the forecast is not a guarantee of the amount of cash distributions and distributions in excess of earnings.

(Note 4) If a certain degree of deviation from the above forecast is expected, the forecast may be revised.

(Note 5) Figures are rounded down to the nearest specified unit. The same shall apply hereinafter.

*This press release was distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

*EII website: <https://enexinfra.com/en/>

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[Attachment]

Assumptions of Forecast of Management Status for the Fiscal Period Ending November 2019 and
Fiscal Period Ending November 2020

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> ➤ Fiscal period ending November 2019 (2nd fiscal period) (December 1, 2018, to November 30, 2019) (365 days) ➤ Fiscal period ending November 2020 (3rd fiscal period) (December 1, 2019, to November 30, 2020) (366 days)
Assets under management	<ul style="list-style-type: none"> ➤ It is assumed that the Assets to be Acquired will be acquired as of today and that there will be no change in the assets under management (acquisition of new assets or sale of owned assets, etc.) through the end of the fiscal period ending November 2020. ➤ In practice, this assumption may vary due to such events as acquisition of new assets other than the Assets to be Acquired or sale of owned assets.
Operating revenue	<ul style="list-style-type: none"> ➤ The rental business revenue from the Assets to be Acquired is calculated on the basis of the base rent indicated in the lease agreements for solar power generation facilities scheduled to become effective on the planned acquisition date of the Assets to be Acquired (hereinafter the “lease agreements”), which is the amount calculated by dividing by 12 the amount obtained by deducting the estimated annual operation management expenses (including but not limited to taxes and dues, compensation for O&M providers and compensation for operators) from the annual total amount of expected monthly total revenue from electricity sales, calculated in consideration of the assumed revenue from electricity sales based on forecast power generation (P50) (Note) by a third party based on the annual hourly solar radiation database compiled by the New Energy and Industrial Technology Development Organization. While the rent under the lease agreements consists of base rent and performance-linked rent, the rental business revenue is calculated based on base rent only, assuming that no performance-linked rent accrues. (Note) Forecast power generation (P50) refers to the power generation output calculated by the producer of technical reports or other experts, as a figure of an exceedance probability P (percentile) 50 (a numerical value deemed achievable with a 50% probability). The assumed revenue from electricity sales based on forecast power generation (P50) refers to the assumed revenue from power generation calculated by multiplying the relevant output by the tariff. ➤ EII assumes that operating revenue comes from rental business revenue from the owned assets, not intending to sell such assets. ➤ For rental business revenue, EII assumes that there are no delinquencies or non-payments of rent.
Operating expenses	<ul style="list-style-type: none"> ➤ Among the rental business expenses of the Assets to be Acquired, which are the principal operating expenses, expenses other than depreciation are calculated by reflecting variable factors of expenses, based on the values shown in quotes obtained from subcontractors. ➤ Upon acquiring the solar power generation facilities, EII plans to settle the property taxes for fiscal 2019 by prorating them for the period with the current owner, and the amount equivalent to such settlement will be included in the acquisition costs in the fiscal year of acquisition. Accordingly, the property taxes on the Assets to be Acquired for the fiscal period ending November 2019 are not recorded as expenses. Furthermore, the total settlement amount of the property taxes to be included in the acquisition costs of the Assets to be Acquired is expected to be 83 million yen. In addition, property taxes which will incur thereafter will be recorded as expenses from the fiscal period ending November 2020, and such amount is expected to be 178 million yen for the fiscal period ending November 2020. ➤ Depreciation is calculated using the straight-line method, including certain ancillary expenses, and is expected to be 660 million yen for the fiscal period ending November 2019 and 793 million yen for the fiscal period ending November 2020.

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Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> ➤ The expenses pertaining to the issuance, listing and offering of new investment units are scheduled to be amortized collectively and expected to be 38 million yen for the fiscal period ending November 2019. ➤ Interest expenses and other borrowing-related expenses are expected to be 81 million yen for the fiscal period ending November 2019 and 91 million yen for the fiscal period ending November 2020.
Borrowings	<ul style="list-style-type: none"> ➤ The total interest-bearing debt is assumed to be 11,188 million yen as of the end of the fiscal period ending November 2019 and 8,913 million yen as of the end of the fiscal period ending November 2020. ➤ It is assumed that a total of 11,771 yen will be borrowed from qualified institutional investors defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act (only those who fall under the category of institutional investors defined in Article 67-15 of Act on Special Measures Concerning Taxation) as of today, and that all 4,500 units, which is the maximum number of investment units scheduled to be newly issued in the issuance of new investment units through third-party allotment described in “Investment units” below, will be issued and part of the said borrowings will be repaid in the fiscal period ending November 2020 using the proceeds as resources. ➤ LTV is expected to be around 54% at the end of the fiscal period ending November 2019 and around 50% at the end of the fiscal period ending November 2020. The ratio of interest-bearing debt to total assets (LTV) is calculated by using the following formula: Ratio of interest-bearing debt to total assets (LTV) = Total interest-bearing debt / total assets × 100 ➤ LTV may fluctuate depending on the number of new investment units issued through third-party allotment described in “Investment units” below.
Investment units	<ul style="list-style-type: none"> ➤ It is assumed that the investment units scheduled to be newly issued in the issuance of new investment units through third-party allotment (maximum: 4,500 units) resolved at the Board of Directors’ meeting of EII held on December 27, 2018, will all be issued, in addition to the 91,000 investment units issued and outstanding as of the date of this document. ➤ Except for the above, it is assumed that there will be no change in the number of investment units due to the issuance of new investment units until the end of the fiscal period ending November 2020. ➤ Distribution per unit (including distribution in excess of earnings), distribution per unit (excluding distribution in excess of earnings) and distribution in excess of earnings per unit are calculated based on the forecast number of investment units issued and outstanding in the fiscal period ending November 2019 and the fiscal period ending November 2020 amounting to 95,500 units including 4,500 units, which is the maximum number of investment units scheduled to be newly issued through the third-party allotment mentioned above.
Distribution per unit (excluding distribution in excess of earnings)	<ul style="list-style-type: none"> ➤ Distribution per unit (excluding distribution in excess of earnings) is calculated on the assumption that the full amount of profit will be distributed based on the cash distribution policy set forth in EII’s Articles of Incorporation. ➤ There is the possibility that the distribution per unit (excluding distribution in excess of earnings) may vary due to various factors including fluctuations of rent revenue due to change in assets under management, change in lessees and change in the lease agreements, or unpredicted repairs and maintenance.

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Item	Assumptions
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> ➤ Distribution in excess of earnings per unit is calculated based on the cash distribution policy set forth in EII’s Articles of Incorporation, to the extent of the amount stipulated by laws and regulations (including the rules defined by The Investment Trusts Association, Japan). ➤ EII has the policy of distributing cash in excess of earnings (refund of investment) in every calculation period as a rule to the extent of the amount equivalent to 50% of the depreciation for the applicable calculation period so long as it does not negatively affect the financial state of EII after reserving cash and deposits EII regards as appropriate and taking the arranged loan facilities into account, in order to avoid any impact on the long-term repair plan and meet demand for funds (for new acquisition of investment assets, capital expenditure required for maintenance and improvement of properties held, working capital of EII, payment of loans, distributions of cash, etc.), given the amount of capital expenditure for each calculation period assumed based on the long-term repair plan. ➤ Distribution per unit (including distribution in excess of earnings) for the fiscal period ending November 2019 and the fiscal period ending November 2020 is projected to be at the level of around 6,000 yen, given the rental business revenue generated from the portfolio, the rental business expenses pertaining to the portfolio, the interest expenses for borrowings and other borrowing-related expenses. Of the amount, distribution in excess of earnings per unit is assumed to be 2,889 yen for the fiscal period ending November 2019 and 3,834 yen for the fiscal period ending November 2020. The said distribution in excess of earnings is calculated to the extent of 50% of the depreciation for the applicable calculation period as mentioned earlier. The amount for the fiscal period ending November 2019 is assumed to be equivalent to 41.7% of depreciation, and that for the fiscal period ending November 2020 is assumed to be equivalent to 46.1% of depreciation. However, EII may not make cash distributions (refunds of investment) in excess of earnings, or may restrict them under the amounts mentioned earlier, upon consideration of other options, such as repair and capital expenditures in the case of the total depreciation, repayment of borrowings, appropriation to funds for the acquisition of new properties, and the acquisition of treasury investment units, by comprehensively considering the economic environment, the market environment relating to the renewable energy-related businesses, the financial positions of EII, and other circumstances. Cash distributions in excess of earnings (refund of investment) involve a decrease in cash on hand, and thus if capital expenditures beyond the expectations of EII are required due to any sudden events or other causes, there is a possibility of a shortage of cash on hand or a restriction on the flexible acquisition of properties in terms of funds. In addition, in the case of cash distribution (refund of investment) in excess of earnings, the amount of such distribution will be deducted from unitholders’ capital or the capital surplus. ➤ As described in “Operating expenses” above, depreciation is calculated using the straight-line method including ancillary expenses, and is expected to be 660 million yen for the fiscal period ending November 2019 and 793 million yen for the fiscal period ending November 2020.
Other	<ul style="list-style-type: none"> ➤ It is assumed that there will be no revision that will impact the aforementioned forecast figures to legislation, taxation, accounting standards, listing regulations of the Tokyo Stock Exchange and rules and requirements of the Investment Trusts Association, Japan, etc. ➤ It is assumed that no unforeseeable significant changes will occur in the general economic trends, conditions in the solar power generation facility market and the real estate market.

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