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Infrastructure Fund Issuer

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Regarding Recent News Coverages on Possible Price Change of Feed-in Tariff Policy

Due to latest news coverages that possible procurement price digression of Feed-in Tariff (hereinafter referred as “FIT”) system were discussed by the Ministry of Economy, Trade and Industry (hereinafter referred as “METI”), the Takara Leben Infrastructure Fund, Inc., (hereinafter referred as “Investment Corporation”) has received increased volume of inquiries from investors over this particular news. The Investment Corporation hereby announces an assumed impact on the operation of the Investment Corporation in case of procurement price digression will take effect as according to the news coverages.

**Overview of FIT system**

Under the FIT system for renewable energy, electric power companies are obliged to purchase electricity generated from renewable energy sources at a fixed price on a fixed-period contract. Costs of purchased electricity generated from renewable energy shall be transferred to electricity customers in the form of a nationwide surcharge in order to foster high-cost renewable energy sources. FIT system enables to cover high construction cost of renewable energy sources and eventually expands use of them in Japan.

Under the FIT system, a purchase price is annually revised based on procurement price either determined by Minister of Economy, Trade and Industry or through successful bid at renewable energy auctions.

Sources: [http://www.enecho.meti.go.jp/category/saving\\_and\\_new/saiene/kaitori/surcharge.html](http://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/surcharge.html) (Japanese)

Basically, each procurement price will be fixed during the contracted period and will not be changed once the procurement price for particular renewable energy generation facility is approved (note 1). Therefore, news coverage on possible procurement price digression will apply to future-approved renewable energy generation facilities, and the Investment Corporation assumes that it will not apply to the approved procurement price of existing photovoltaic solar energy generation facilities.

(note 1) Where “a commodity price or any other economic condition” has substantially changed or is likely to substantially change, and when the METI finds it especially necessary, the minister may revise a purchase price and period for existing facilities. A hyperinflation, deflation, stagflation and/or other extreme economic circumstance are assumed for a “a change in a commodity or any other economic condition”

### **Assumed impact on the Investment Corporation by possible price change under FIT system**

As of the day of this press release, the portfolio of the Investment Corporation's contains total of 25 photovoltaic power energy generation facilities: 6 facilities were approved with procurement FIT price of 40 JPY per kWh, 18 facilities approved with procurement FIT price of 36 JPY per kWh, and one (1) facility with procurement FIT price of 32 JPY per kWh. In addition, all of the Investment Corporation's photovoltaic energy generation facilities has been contracted with electric power companies to sell electricity generated by photovoltaic energy for a period of 20 years after the start of electricity connection. In other words, the selling price for all of the photovoltaic energy generation facilities remains fixed for 20 years after the start of electricity connection. Furthermore, the same rules apply to photovoltaic energy generation facilities owned by Takara Leben Co., Ltd (hereinafter referred as "sponsor") by whom the Investment Corporation are entitled to the first refusal rights agreement, and sponsor's developing and planning facilities (hereinafter referred as "sponsor's portfolio") as well.

Thereby, photovoltaic energy generation facilities owned by the Investment Corporation and sponsor's portfolio have been guaranteed at fixed procurement price for 20 years after the start of electricity connection. The Investment Corporation assumes that the effect of the possible price digression is insignificant to the operation of the investment corporation.

The Investment Corporation discloses a forecast of the operation based above assumptions.

End.

TIF Website: <http://tif9281.co.jp/en/>