



Semi-annual Report

(2nd Fiscal Period: October 1, 2017 to June 30, 2018)

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Financial Report

1. Associated Corporations of Canadian Solar Infrastructure Fund

Disclosure is omitted because there have been no significant changes from the description in the latest securities report (submitted on August 14, 2018).

2. Management Policy and Management Status

(1) Management Policy

Disclosure is omitted because there have been no significant changes from the description in the latest securities report (submitted on August 14, 2018).

(2) Management Status

I. Overview of the Fiscal Period under Review

a. Brief History of Canadian Solar Infrastructure Fund

Canadian Solar Infrastructure Fund, Inc. (hereinafter referred to as “CSIF”) was established on May 18, 2017 with money invested of 150 million yen (1,500 units) by Canadian Solar Asset Management K.K. (hereafter referred to as the “Asset Manager”) as the founder under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951 including subsequent amendments; hereinafter referred to as the “Investment Trusts Act”). Registration with the Kanto Local Finance Bureau was completed on June 9, 2017 (registration number 127, filed with the Director of the Kanto Local Finance Bureau).

CSIF issued additional investment units (177,800 units) through a public offering on October 27, 2017 and listed its investment units on the Tokyo Stock Exchange Inc.’s (hereinafter referred to as the “Tokyo Stock Exchange”) Infrastructure Fund Market on October 30, 2017 (security code: 9284).

On November 28, 2017, CSIF issued new investment units (2,890 units) through third-party allotment. As a result, the total units in issue as of June 30, 2018 was 182,190 units.

b. Investment Environment

During the fiscal period under review, the Japanese economy recovered at a moderate pace, mainly attributable to a gradual increase in capital expenditure and improvements in corporate earnings and the employment situation. Going forward, the economy is expected to continue its mild recovery trend, backed by continued improvement in the employment situation and personal income. Nonetheless, attention needs to be paid to the impact of monetary policy decisions in the US, uncertainties in other parts of the global economy and fluctuations in financial and capital markets.

Reflecting changes in the monetary policy in the US and other factors, the stock market in Japan has been experiencing instability after exiting its upward trend at the beginning of the year. Meanwhile, notwithstanding the negative impact of the stock market, the Infrastructure Fund Market has remained relatively defensive.

In the environment surrounding the renewable energy power generation facilities (those stipulated in Article 2, Paragraph 3 of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011 including subsequent amendments. Hereinafter referred to as the “Act on Renewal Energy Special Measures”) (excluding those that fall under real estate). Hereinafter referred to as “renewable energy power generation facilities”) held by CSIF, improvement in the self-sufficiency rate of primary energy and a reduction of greenhouse gas emissions remain as challenges. In Japan’s energy plan announced by the Ministry of Economy, Trade and Industry in July 2015, the energy mix (energy supply demand structure) for the target year 2030 under the long-term energy supply and demand outlook was revised and reformulated from a long-term perspective in light of the Fourth Strategic Energy Plan, under which the use of renewable energy was introduced (22-24% in power source composition). The Fifth Strategic Energy Plan approved by the Cabinet as of July 3, 2018 presents measures for the use of renewable energy as the major power source, including a reduction in the procurement cost of renewable energy, overcoming power grid

constraints and securing load following capacity. The new plan also set out Japan's new energy scenario towards 2050 with the aim to achieve economic efficiency, decarbonization and the use of renewable energy as the major power source.

c. Management Performance

During the fiscal period under review, CSIF acquired 13 photovoltaic power generation facilities, etc. (Note 3) on October 31, 2017 (a total panel output (Note 1) of 72.7MW and a total acquisition price (Note 2) of ¥30,438 million) using net proceeds from the issuance of new investment units through public offering as well as borrowings in accordance with the basic asset management policy, etc. set forth in its Articles of Incorporation, and commenced substantive investment operations. In addition, two photovoltaic power generation facilities, etc. (a total panel output of 2.6MW and a total acquisition price of ¥992 million) were acquired on February 1, 2018 using borrowings with the aim of improving CSIF's portfolio and expanding external growth. As a result, CSIF possessed and managed a portfolio consisting of 15 photovoltaic power generation facilities, etc. (a total panel output of 75.3MW and a total price (Note 4) of ¥35,963 million) as of the end of the fiscal period under review.

(Note 1) "Panel output" shall mean output calculated by multiplying rated output per solar cell module (meaning the maximum output stated in specifications of solar cell module) used in each solar energy facility by the total number of panels. The same shall apply hereunder.

(Note 2) "Acquisition price" shall mean the sale and purchase price (excluding outsourcing service fees and other acquisition expenses related to the acquisition of assets, property-related taxes, urban planning taxes, consumption taxes and other fees and charges) described in the sale and purchase agreement pertaining to each asset acquired. It shall be rounded down to the nearest one million yen. The same shall apply hereunder.

(Note 3) "Renewable energy power generation facilities, etc." shall collectively refer to renewable energy power generation facilities as well as real estate and the right of lease (including the right of sublease) of real estate or the surface right (hereinafter referred to as "Site, etc.") to install, maintain and operate the renewable energy power generation facilities. In addition, "photovoltaic power generation facilities, etc." shall collectively refer to photovoltaic power generation facilities (of renewable energy power generation facilities, photovoltaic power generation facilities shall specifically refer to renewable energy power generation facilities that generate power using solar light as the source of energy; the same shall apply hereunder) as well as real estate and the right of lease (including the right of sublease) of real estate or the surface right to install, maintain and operate photovoltaic power generation facilities. The same shall apply hereunder.

(Note 4) "Price" shall mean intermediate value calculated by CSIF using the appraisal value of each power plant as of June 30, 2018 stated in valuation reports obtained from PricewaterhouseCoopers Sustainability LLC. The same shall apply hereunder.

d. Overview of Financing

In the fiscal period under review, CSIF raised ¥17,165 million through public offering in October 2017 and third-party allotment of additionally issued investment units (180,690 units) in November 2017. In addition, a total of ¥18,640 million was borrowed in October 2017 and February 2018. On the other hand, a contractual repayment was made at the end of the fiscal period under review, and the amount of borrowings as of the end of the fiscal period under review came to ¥18,103 million. Consequently, the ratio of interest-bearing debt to total assets (ratio of interest-bearing debt to total assets at the end of fiscal period) was 50.5%.

e. Overview of Business Performance and Distributions

As a result of the management described above, the business performance in the fiscal period under review recorded operating revenue of ¥2,023 million, operating income of ¥845 million, ordinary income of ¥331 million and net income of ¥330 million.

Pursuant to the cash distribution policy set forth in Article 47, Paragraph 1 of its Articles of Incorporation, CSIF shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in

Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, distributions in excess of earnings are calculated on the premise that such distributions will generally be made in accordance with the cash distribution policy prescribed in CSIF's Articles of Incorporation and the Asset Manager's asset management guidelines formulated as part of its internal regulations.

CSIF intends to make cash distributions to its unitholders for each fiscal period from free cash flow (hereinafter referred to as "FCF") generated by its renewable energy power generation facilities, in amounts determined in the following manner. The amount available for distribution shall be calculated by multiplying FCF, that is net cash flow (hereinafter referred to as "NCF"; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating NCF) to be vested to equity investors after deducting FCF payable to debt investors, by a certain ratio (hereinafter referred to as "payout ratio"; The payout ratio for the 2nd fiscal period is 45.9%.) determined by CSIF in light of the amount of NCF for each fiscal period.

In addition to a cash distribution within the range of profit, CSIF intends to make distributions in excess of earnings for each fiscal period on a continuous basis in order to realize this policy.

In developing its performance forecast (including any revisions thereof) for each fiscal period, in the case where NCF calculated from actual energy output in a fiscal period (hereinafter referred to as "actual NCF"; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating actual NCF) exceeds NCF projected for the fiscal period (hereinafter referred to as "projected NCF"; CSIF shall incorporate the total amount of NCF remaining after deducting distributions for the preceding fiscal periods in calculating projected NCF) on the basis of an energy output value projected by professional specialists (P50) which forms the foundation for the calculation of rents with regard to the renewable energy power generation facilities, CSIF intends to limit the cash distribution to the amount of projected NCF multiplied by the payout ratio for said fiscal period.

On the other hand, in the case where actual NCF is equal to or below projected NCF, CSIF intends to make a cash distribution for the fiscal period at the amount of actual NCF multiplied by the payout ratio.

Based on the above policy, CSIF determined to make a distribution for the fiscal period under review of ¥428,146,500, equivalent to 45.9% of projected NCF for the period (¥932,781,045). As a result, distribution in excess of earnings is ¥147,209,520, after deducting dividends for the period of ¥280,936,980.

Dividend per investment unit is ¥2,350 for the fiscal period under review.

Reference

1. Conditions of Investment

as of June. 30.2018

Type of asset	Region (1)	Total Asset-Under-Management (AUM) ('000yen)(2)	% of total AUM (3)
Solar energy facility	Hokkaido/Tohoku	206,072	0.6
	Kanto	2,174,805	6.1
	Tokai	468,581	1.3
	Chugoku/Shikoku	627,761	1.8
	Kyushu	23,267,183	64.9
Subtotal		26,744,405	74.6
Land	Hokkaido/Tohoku	48,954	0.1
	Kanto	519,733	1.5
	Tokai	-	-
	Chugoku/Shikoku	123,644	0.3
	Kyushu	3,184,222	8.9
Subtotal		3,876,554	10.8
Land lease	Hokkaido/Tohoku	-	-
	Kanto	59,197	0.2
	Tokai	39,953	0.1
	Chugoku/Shikoku	-	-
	Kyushu	390,450	1.1
Subtotal		489,601	1.4
Solar energy facility etc.	Hokkaido/Tohoku	255,026	0.7
	Kanto	2,753,736	7.7
	Tokai	508,535	1.4
	Chugoku/Shikoku	751,406	2.1
	Kyushu	26,841,857	74.9
Subtotal		31,110,561	86.8
Solar energy facility etc. total		31,110,561	86.8
Saving/other assets		4,730,707	13.2
Asset total (2)		35,841,269	100.0

	Amount ('000 yen)	% of total asset (3)
Debt Total	18,244,671	50.9
Net asset Total	17,596,597	49.1

- (1) “Hokkaido and Tohoku” denote Hokkaido, Aomori-ken, Iwate-ken, Akita-ken, Miyagi-ken, Fukushima-ken and Yamagata-ken. “Kanto and Koshin-etsu” denote Ibaraki-ken, Tochigi-ken, Gunma-ken, Tokyo-to, Kanagawa-ken, Saitama-ken, Chiba-ken, Yamanashi-ken, Nagano-ken and Niigata-ken. “Tokai and Hoku-riku” denote Shizuoka-ken, Aichi-ken, Gifu-ken, Mie-ken, Toyama-ken, Ishikawa-ken and Fukui-ken. “Kinki” denotes Shiga-ken, Kyoto-fu, Osaka-fu, Nara-ken, Wakayama-ken and Hyogo-ken. “Chugoku and Shikoku” denote Okayama-ken, Hiroshima-ken, Yamaguchi-ken, Tottori-ken, Shimane-ken, Kagawa-ken, Kochi-ken, Tokushima-ken and Ehime-ken. “Kyushu and Okinawa” denote Fukuoka-ken, Oita-ken, Miyazaki-ken, Kagoshima-ken, Kumamoto-ken, Nagasaki-ken, Saga-ken and Okinawa-ken.
- (2) The amount posted on the balance sheet as of June 30, 2018. The saving/Other assets includes construction in progress (1,944,000yen) .
- (3) The figures have been rounded to the second decimal place.

2. Investment Assets

Investment Securities

Not Applicable

Investment Properties

Not Applicable

Major Investment Assets

The following table provides summary information for the CSIF current 15 solar energy projects as of June 30, 2018.

Asset #	Category	Project name	Location	Site Area (m ²)	PPA purchase price (yen/kwh)	Certification Date	FIT term end
S-01	Solar Plant etc.	CS Shibushi-shi Power Plant	Shibushi-shi, Kagoshima	19,861	40	2/26/2013	9/16/2034
S-02	Solar Plant etc.	CS Isa-shi Power Plant	Isa-shi, Kagoshima	22,223	40	2/26/2013	6/8/2035
S-03	Solar Plant etc.	CS Kasama-shi Power Plant	Kasama-shi, Ibaraki	42,666 (1)	40	1/25/2013	6/25/2035
S-04	Solar Plant etc.	CS Isa-shi Dai-ni Power Plant	Isa-shi, Kagoshima	31,818	36	10/2/2013	6/28/2035
S-05	Solar Plant etc.	CS Yusui-cho Power Plant	Aira-gun, Kagoshima	25,274	36	3/14/2014	8/20/2035
S-06	Solar Plant etc.	CS Isa-shi Dai-san Power Plant	Isa-shi, Kagoshima	40,736	40	2/26/2013	9/15/2035
S-07	Solar Plant etc.	CS Kasama-shi Dai-ni Power Plant	Kasama-shi, Ibaraki	53,275	40	1/25/2013	9/23/2035
S-08	Solar Plant etc.	CS Hiji-machi Power Plant	Hayami-gun, Oita	30,246	36	7/16/2013	10/12/2035
S-09	Solar Plant etc.	CS Ashikita-machi Power Plant	Ashikita-gun, Kumamoto	45,740	40	2/26/2013	12/10/2035

S-10	Solar Plant etc.	CS Minamishimabar a-shi Power Plant (East) / CS Minamishimabar a-shi Power Plant (West)	Minamishimabara-shi, Nagasaki	56,066	40	2/26/2013	12/24/2035
S-11	Solar Plant etc.	CS Minano-machi Power Plant	Chichibu-gun, Saitama	44,904	32	2/26/2013	1/28/2036
S-12	Solar Plant etc.	CS Kannami-cho Power Plant	Tagata-gun, Shizuoka	41,339	36	12/11/2014	12/6/2036
S-13	Solar Plant etc.	CS Mashiki-machi Power Plant	Kamimashiki-gun, Kumamoto	638,552 (2)	36	3/31/2014	3/2/2037
S-14	Solar Plant etc.	CS Koriyama-shi Power Plan	Koriyama-shi, Fukushima	30,376 (1)	32	10/24/2013	6/1/2037
S-15	Solar Plant etc.	CS Tsuyama-shi Power Plant	Tsuyama-shi, Okayama	31,059	32	2/27/2015	9/15/2036

(1) Site area for the portion of the solar energy plants land under ownership is shown, and excludes the portion of the land where we hold an easement.

(2) Site area for the portion of the solar energy plants and high-voltage land under ownership is shown, and excludes the portion of the land where we hold an easement.

Asset #	Project name	Certified Operator	PPA company	Acquisition Price (million yen) (1)	Fiscal period end Valuation (million yen) (2)	Appraisal value of solar plants (million yen)(3) (upper : solar energy facility) (lower : land)	Fiscal period end Book Value (million yen) (4)
S-01	CS Shibushi-shi Power Plant	Tida Power 06 G.K	Kyushu Electric Power Co., Inc	540	609	476	538
						133	
S-02	CS Isa-shi Power Plant	Tida Power 05 G.K.	Kyushu Electric Power Co., Inc	372	404	381	370
						22	
S-03	CS Kasama-shi Power Plant	Castilla Clean Energies Tsukuba K.K.	TEPCO Energy Partner, Incorporated	907	1,097	819	904
						278	
S-04	CS Isa-shi Dai-ni Power Plant	Tida Power 10 G.K.	Kyushu Electric Power Co., Inc	778	837	797	769
						40	
S-05	CS Yusui-cho Power Plant	Tida Power 09 G.K.	Kyushu Electric Power Co., Inc	670	721	688	663
						33	
S-06	CS Isa-shi Dai-san Power Plant	Tida Power 02 G.K.	Kyushu Electric Power Co., Inc	949	1,027	968	938
						59	

S-07	CS Kasama-shi Dai-ni Power Plant	Castilla Clean Energies Tsukuba2 K.K.	TEPCO Energy Partner, Incorporated	850	907	853	835
						54	
S-08	CS Hiji-machi Power Plan	Tida Power 25 G.K.	Kyushu Electric Power Co., Inc	1,029	1,105	1,061	1,017
						44	
S-09	CS Ashikita-machi Power Plant	Tida Power 07 G.K.	Kyushu Electric Power Co., Inc	989	1,079	1,038	977
						41	
S-10	CS Minamishimabara-shi Power Plant(East)/CS Minamishimabara-shiPower Plant(West)	Tida Power 07 G.K.	Kyushu Electric Power Co., Inc	1,733	1,954	1,872	1,714
						81	
S-11	CS Minano-machi Power Plant	Univergy 06 G.K.	TEPCO Energy Partner, Incorporated	1,018	1,173	912	1,013
						261	
S-12	CS Kannami-cho Power Plant	Clean Sangonera K.K.	TEPCO Energy Partner, Incorporated	514	585	544	508
						40	
S-13	CS Mashiki-machi Power Plant	Tida Power 22 G.K.	Kyushu Electric Power Co., Inc.	20,084	23,391	20,271	19,852
						3,120	
S-14	CS Koriyama-shi Power Plant	Clean Guadalquivir K.K.	Tohoku Electric Power Co., Inc.	246	269	221	255
						47	
S-15	CS Tsuyama-shi Power Plant	Univergy 12 G.K.	The Chugoku Electric Power Co., Inc	746	802	679	751
						123	
Total				31,431	35,963	31,583	31,110
						4,379	

(1) Acquisition price is based on acquisition price as described in the purchase agreements (excluding acquisition expenses related to the payment of outsourcing service fees, property-related taxes, taxes on depreciable assets, urban planning taxes, consumption taxes and other fees).

(2) Median project valuation report amount is the median amount that we calculated based on the estimated values as of 30. June, 2018 provided to us by PricewaterhouseCoopers Sustainability LLC in its project valuation report. Based on the appraised value in the range stated in the valuation report with the date of the value opinion on June 30, 2018, which was obtained from PricewaterhouseCoopers Sustainability LLC, the Investment Corporation calculated the total sum of the intermediate values according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation, and the said sum is used in the statement.

(3) On the upper row of the appraisal value of solar plants, an assumed appraisal value of solar energy projects that is obtained by deducting the real estate appraisal value calculated by Daiwa Real Estate Appraisal Co., Ltd. from the appraised value at the end of the period in (Note 2) above is stated, and on the lower row, an amount stated in the real estate appraisal report prepared by Daiwa Real Estate Appraisal Co., Ltd. is stated. Real estate includes its superficies right.

(4) Fiscal period end book value is the book value of solar energy as of June 30, 2018.

Risk Factors

An investment in our units involves significant risks. The principal risks with respect to investment in Canadian Solar Infrastructure Fund, Inc. ("CSIF") are as follows.

The principal risks with respect to investment in CSIF are as follows:

- CSIF has limited operating history and limited financial data regarding its portfolio and results of operations, making it difficult to fully evaluate CSIF's prospects and future financial results;
- the Asset Manager has limited experience in operating an infrastructure fund;
- CSIF may not close all or any of its anticipated acquisitions of solar energy projects;
- the limited operating history of many of the solar energy projects in CSIF's portfolio may make it difficult to fully evaluate CSIF's prospects and future financial results;
- CSIF may not complete the expected debt financing, in which case CSIF may not be able to acquire some or all of the projects CSIF anticipates acquiring, or CSIF may be forced to accept alternative financing with less advantageous terms;
- increases in prevailing market interest rates may increase CSIF's interest expense and may result in a decline in the market price of CSIF's units;
- CSIF's portfolio consists exclusively of solar energy projects and its rental revenues are linked partially to revenues from the sale of electricity while its operating expenses are largely fixed;
- fluctuations in our revenues and expenses may decrease CSIF's distributions to its unitholders and reduce the market value of CSIF's units;
- the amount of electricity generated by the solar energy projects in CSIF's portfolio is difficult to forecast and may be lower than expected;
- renewable energy projects are subject to unique risks of defects, breakdowns and accidents which may adversely affect CSIF's financial condition and results of operation;
- inability to secure rights to land for electricity transmission lines in the locations CSIF require may result in incurring additional expenses in acquiring such rights in alternative locations, or CSIF may be unable to transmit the electricity generated by its solar energy projects to purchasers;
- the Japanese government may change or abolish Japan's feed-in-tariff ("FIT") scheme for renewable energy;
- the Japanese government may take regulatory action to decrease the FIT purchase price and purchase period for electricity under Japan's FIT scheme;
- the number of purchasers of utility-scale quantities of electricity in Japan are limited, which exposes CSIF and its solar energy projects to additional risks;
- CSIF's reliance on Canadian Solar Projects K.K. as the operator of all solar energy projects in its portfolio could have a material adverse effect on CSIF's business;
- most solar energy projects in CSIF's portfolio may be concentrated in the Kyushu and Okinawa areas;
- CSIF may suffer large losses if any of its properties incurs damage from natural or man-made disasters;
- CSIF's reliance on Canadian Solar Projects K.K. and its related entities and Canadian Solar O&M Japan K.K. could have a material adverse effect on CSIF's business;
- CSIF's dependence on the performance of CSIF's executive director, supervisory directors and the operator and service providers to which CSIF is required to assign various key functions could have a material adverse effect on CSIF's business; and
- CSIF's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify CSIF from certain taxation benefits and significantly reduce its cash distributions to its unitholders.

In addition, CSIF is subject to the following risks:

- risks related to defective title, defective foundations or other geological defects in the land on which the solar energy projects in the portfolio are located;

- risks related to the lack of maintenance or damage to the electricity transmission facilities used by the electricity business operators, CSIF's lessees, to sell the electricity from the solar energy projects;
- risks related to involvement in disputes with neighboring residents of the solar energy projects;
- risks related to revocation by the Japanese government of the certification of a renewable energy business plan;
- risks related to termination or revision of power purchase agreements and interconnection agreements;
- risks related to requirement to reduce electricity output;
- risks related to erosion by inflation of purchasing power of amounts paid per kWh for electricity from renewable sources;
- risks related to the sale of electricity after the expiration of the purchase period under the FIT;
- risks related to electricity business operators, CSIF's lessees;
- risks related to electric utility operators;
- risks related to increase in value of renewable energy projects and competition in acquiring solar energy projects;
- risks related to illiquidity in the market for solar energy projects;
- risks related to investments in non-solar renewable energy projects;
- the past experience of Canadian Solar Projects K.K. and its related entities and Canadian Solar O&M Japan K.K. in the Japanese solar energy market is not an indicator or guarantee of CSIF's future results;
- risks related to the sponsor support agreement between CSIF and the Asset Manager and Canadian Solar Projects K.K.,
- risks related to reclaimed land;
- risks related to artificially developed land;
- risks related to unexpected expenses for repair or maintenance of the projects;
- risks related to laws and regulations applicable to land underlying the projects;
- risks related to liabilities for any unforeseen loss, damage or injury suffered by a third party at the projects;
- risks related to CSIF's relatively small asset size;
- risks related to entering into forward commitment contracts;
- risks related to relying on expert report for land appraisals, project valuation report, energy output projections and seismic reports as well as industry and market report;
- risks related to the presence of hazardous or toxic substances in the projects, or the failure to properly remediate such substances;
- risks related to the strict environmental liabilities for the projects;
- risks related to inability to obtain financing for future acquisitions, or any restrictions on CSIF's activities under its financing arrangements;
- risks related to restrictive covenants under debt financing arrangement;
- risks related to CSIF's policy to make distributions to its unitholders in excess of CSIF's retained earnings;
- risks related to repurchasing CSIF's units;
- risks related to a high loan-to-value, or LTV, ratio;
- risks related to suffering impairment losses relating to the projects;
- risks related to future borrowings or issuances of investment corporation bonds;
- risks related to downgrading of credit rating;
- risks related to adverse conditions in the Japanese economy;
- risks related to technological advances and innovations;
- risks related to potential conflict of interest between CSIF and certain Canadian Solar Projects K.K. related companies and Canadian Solar O&M Japan K.K., including the AIFM;
- risks related to dependence on the efforts of the AIFM's key personnel ;

- risks related to lessees' default as a result of financial difficulty or insolvency;
- risks related to O&M service providers;
- risks related to unitholder's limited control over changes in CSIF's investment policies;
- risks related to the tight supervision by the regulatory authorities;
- risks related to the tax authorities' disagreement with the AIFM's interpretations of the Japanese tax laws and regulations;
- risks related to changes in Japanese tax laws;
- CSIF's ownership rights in some of its projects may be declared invalid or limited;
- risks related to loss of rights in a property due to the recharacterization of purchase of the property as a secured filing;
- risks related to holding the underlying land for the solar energy projects in the form of a leasehold interest or surface rights;
- risks related to holding the property in the form of co-ownership interests (*kyōyū-mochibun*);
- risks related to tax increase and amendment of the applicable administrative laws and local ordinances;
- risks related to the rights of unitholders in an infrastructure fund;
- risks related to cost of complying with regulations applicable to the properties;

Summary of Financial Results for Fiscal Period Ended June 30, 2018

(2nd Fiscal Period: from October 1, 2017 to June 30, 2018)

Balance Sheet
Statement of Income and Retained Earnings
Statement of Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements

1 【Financial Statement】

(1) Balance Sheet

(Unit : thousand yen)

	1 st Period (September 30, 2017)	2 nd Period (June 30, 2018)
Assets		
Current Assets		
Cash and bank deposit	89,637	2,031,379
Operating accounts receivable	-	318,430
Prepaid expenses	717	44,262
Consumption taxes receivable	-	2,109,820
Deferred tax assets	-	27
Other current assets	64	—
Total current assets	90,419	4,503,919
Fixed Assets		
Property and equipment		
Structures	-	517,918
Accumulated depreciation	-	(13,928)
Structures, net	-	503,989
Machinery and equipment	-	26,507,191
Accumulated depreciation	-	(716,996)
Machinery and equipment ,net	-	25,790,195
Tools, furniture and fixtures	-	462,505
Accumulated depreciation	-	(12,285)
Tools, furniture and fixtures, net	-	450,219
Land	-	3,876,554
Construction in progress	756	1,944
Total property and equipment	756	30,622,903
Intangible assets		
Leasehold rights	-	489,601
Software	-	3,120
Total intangible assets	-	492,721
Investments and other assets		
Guarantee deposits	10,000	21,021
Long-term prepaid expenses	-	200,702
Total investment and other assets	10,000	221,723
Total fixed assets	10,756	31,337,349
Total assets	101,175	35,841,269
Liabilities		
Current liabilities		
Operating Accounts payable	-	18,216
Current portion of long-term loans payable	-	2,883,702
Accounts payable - other	480	42,470
Accrued expenses	-	77,898
Income taxes payable	96	1,465
Deposits received	-	1,331
Total current liabilities	577	3,025,086
Non-current liabilities		
Long-term loan payable	-	15,219,585
Total non-current liabilities	-	15,219,585
Total liabilities	577	18,244,671
Net assets		
Unitholders' equity		
Unitholders' capital	150,000	17,315,550

Surplus		
Unappropriated retained earnings (Accumulated deficit)	(49,402)	281,047
Total surplus	(49,402)	281,047
Total unitholders' equity	100,597	17,596,597
Total net assets	*1 100,597	*1 17,596,597
Total liabilities and net assets	101,175	35,841,269

(2)【Statement of Income】

(Unit: thousand yen)

	1st period (from May 18, 2017 to September 30, 2017)	2 nd period (from October 1, 2017 to June 30, 2018)
Operating revenues		
Rental revenues of renewable energy power generation facilities, etc.	*1 -	*1 2,023,037
Total operating revenues	-	2,023,037
Operating expenses		
Rental expenses of renewable energy power generation facilities, etc.	*1 -	*1 1,066,206
Asset management fee	-	30,595
Administrative service fees	475	7,350
Director's compensation	-	3,600
Taxes and duties	3,692	3,596
Other operating expenses	1,138	66,672
Total operating expenses	5,305	1,178,021
Operating income or loss	(5,305)	845,015
Non-operating incomes		
Interest income	0	12
Total non-operating income	0	12
Non-operating expenses		
Interest expenses	-	94,496
Borrowing-related expenses	-	207,160
Organization expenses	40,000	13,130
Investment unit issuance expenses	4,000	198,350
Total non-operating expenses	44,000	513,137
Ordinary income or loss	(49,305)	331,890
Income or loss before income taxes	(49,305)	331,890
Income taxes - current	96	1,467
Income tax - deferred	-	(27)
Total income taxes	96	1,440
Net income or loss	(49,402)	330,449
Retained earnings (deficit) brought forward	-	(49,402)
Unappropriated retained earnings (Accumulated deficit)	(49,402)	281,047

(3)【Statements of Changes in Unitholders' Equity】

1st Fiscal Period (From May 18, 2017 to September 30, 2017)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Capital surplus or loss	Total surplus		
Balance as of May 18, 2017					
Changes of items during the period					
Issuance of new investment unit	150,000			150,000	150,000
Net loss		(49,402)	(49,402)	(49,402)	(49,402)
Total changes of items during the period	150,000	(49,402)	(49,402)	100,597	100,597
Balance as of September 30, 2017	*1 150,000	(49,402)	(49,402)	100,597	100,597

2nd Fiscal Period (From October 1, 2017 to June 30, 2018)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Capital surplus or loss	Total surplus		
Balance as of October 1, 2017	150,000	(49,402)	(49,402)	100,597	100,597
Changes of items during the period					
Issuance of new investment unit	17,165,550			17,165,550	17,165,550
Net Income		330,449	330,449	330,449	330,449
Total changes of items during the period	17,165,550	330,449	330,449	17,495,999	17,495,999
Balance as of June 30, 2018	*1 17,315,550	281,047	281,047	17,596,597	17,596,597

(4)【Statements of Cash Distribution】

	Fiscal Period under Review (From May 18, 2017 to September 30, 2017)	Fiscal Period under Review (From October 1, 2017 to June 30, 2018)
	Unit: Yen	Unit: Yen
I Unappropriated retained earnings (accumulated deficit)	(49,402,296)	281,047,367
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	-	147,209,520
III Cash distributions		
(Cash distributions per unit)	-	428,146,500
Profit distributions	(-)	(2,350)
(Profit distributions per unit)	-	280,936,980
Distributions in excess of retained earnings	(-)	(1,542)
(Distributions in excess of retained earnings)	-	147,209,520
(Distributions in excess of retained earnings)	(-)	(808)
IV Retained earnings (deficit) carried forward	(49,402,296)	110,387
Calculation method for cash distributions	In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF") s	In accordance with Articles 47, Paragraph 1 of Canadian Solar Infrastructure Fund, Inc. ("CSIF") s

	<p>Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, CSIF will not make distributions in the first fiscal period because there is no amount of profit. In addition, the unappropriated loss will be carried forward to the next period. CSIF does not distribute cash distributions in excess of its earnings, as stipulated in Article 47, Paragraph 2 of its Articles of Incorporation.</p>	<p>Articles of Incorporation, the amount of cash distributions shall be the amount of profit in excess of an amount equivalent to 90% of distributable profits, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, CSIF decided to make distributions of ¥280,936,980 which is the entire amount equivalent to the unappropriated retained earnings for the fiscal period under review of ¥281,047,367 excluding fractions of the distribution per unit that are less than ¥1.</p> <p>CSIF distributes cash in excess of retained earnings every fiscal period based on the cash distribution policy prescribed in Article 47, Paragraph 2 of CSIF's Articles of Incorporation.</p> <p>Based on this policy, CSIF decided to make cash distributions in excess of earnings (return of capital categorized as a distribution of the reduction in capital for Japanese tax purposes) in the amount of ¥147,209,520 which is equivalent to 19.8% of the amount of depreciation expenses recorded for the fiscal period under review of ¥743,653,467.</p> <p>Accordingly, the distribution per unit is ¥2,350.</p>
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(Note) Distributions in excess of retained earnings per unit will generally be based on the cash distribution policy prescribed in CSIF's Articles of Incorporation and the Asset Manager's asset management guideline.

CSIF intends to make cash distributions of NCF within the FCF generated from the renewable energy power generation facilities. The amount available for distribution shall be calculated by multiplying NCF by the payout ratio.

Further, CSIF intends to make distributions in excess of retained earnings for each fiscal period in order to realize such policy.

CSIF's forecasts (including revised forecasts) for each fiscal period are based on the assumption of the Forecast Power Generation (P50) provided in the independent technical report which is used as a basis for calculating rents for renewable energy power generation facilities and if actual NCF calculated based on actual power generation during the applicable fiscal period exceeds forecast NCF, CSIF's policy is to set "forecast NCF multiplied by the payout ratio" as the upper limit of the amount of cash distributions for the applicable fiscal period.

On the other hand, if actual NCF is less than forecast NCF, CSIF's policy is to set "actual NCF multiplied by the payout ratio" as the amount of cash distributions for the applicable fiscal period.

Based on this policy, CSIF decided to make distributions for the current fiscal period of ¥428,146,500 which is equivalent to 45.9% of forecast NCF amount for the fiscal period under review of ¥932,781,045. Of this, ¥147,209,520 which is the amount less of distributions of profit of ¥280,936,980 is distributions in excess of retained earnings.

(5)【Statement of Cash Flow】

(Unit: thousand yen)

	1st period (from May 18, 2017 to September 30, 2017)	2 nd period (from October 1, 2017 to June 30, 2018)
Cash flows from operating activities		
Income (Loss) before income taxes	(49,305)	331,890
Depreciation cost	-	743,653
Investment unit issuance expenses	4,000	198,350
Organization expenses	40,000	13,130
Interest income	(0)	(12)
Interest expenses	-	94,496
Decrease (Increase) in operating accounts receivable	-	(318,430)
Decrease (Increase) in consumption taxes receivable	-	(2,109,820)
Decrease (Increase) in prepaid expenses	(717)	(43,544)
Decrease (Increase) in long-term prepaid expenses	-	(200,702)
Increase (Decrease) in operating accounts payable	-	18,216
Increase (Decrease) in accounts payable - other	480	41,989
Increase (Decrease) in accrued expenses	-	77,131
Other, net	(64)	1,395
Sub-total	(5,607)	(1,152,256)
Interest received	0	12
Interest paid	-	(93,728)
Income taxes paid	-	(98)
Net cash provided by (used in) operating activities	(5,606)	(1,246,071)
Cash flows from investing activities		
Purchases of property and equipment	(756)	(31,365,358)
Purchases of intangible fixed assets	-	(493,165)
Payment for guarantee deposit	(10,000)	(11,021)
Payments for organization expenses	(40,000)	(13,130)
Net cash provided by (used in) investing activities	(50,756)	(31,882,674)
Cash flows from financing activities		
Proceeds from long-term loans payable	-	18,640,000
Repayment of long-term loans payable	-	(536,711)
Proceeds from issuance of investment units	150,000	17,165,550
Payments for investment unit issuance expenses	(4,000)	(198,350)
Net cash provided by (used in) financing activities	146,000	35,070,488
Net increase (decrease) in cash and cash equivalents	89,637	1,941,741
Cash and cash equivalents at the beginning of the fiscal period	-	89,637
Cash and cash equivalents at the end of the fiscal period	*1 89,637	*1 2,031,379

(6)【Notes to Financial Statements】

[NOTES ON GOING CONCERN PREMISE]

Not applicable.

[SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES]

<p>1.Method of depreciation and amortization of non-current assets</p>	<p>(1) Property and equipment The straight-line method is adopted. In addition, the useful lives of major property and equipment are as shown below: Structures 22 - 25 years Machinery and equipment 22 - 25 years Tools, furniture and fixtures 22 - 25 years</p> <p>(2) Intangible assets The straight-line method is adopted. In addition, the useful life is as shown below: Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>
<p>2.Standards for revenue and expense recognition</p>	<p>Accounting for fixed assets tax With respect to fixed assets tax, city planning tax and depreciable assets tax, among other taxes, on the infrastructure assets held, of the tax amount assessed and determined, the amount corresponding to the calculation period is accounted as rental expenses. In addition, reimbursement such as fixed assets tax, which is paid to the seller and other persons on the acquisition of infrastructure assets and other assets ("the amount equivalent to the fixed assets taxes and other taxes") is not recognized as rental expenses but included in the acquisition cost of the concerned infrastructure assets and other assets. In the fiscal period under review, the amount equivalent to the fixed assets tax and other taxes included in the acquisition cost of infrastructure assets and other assets is 10,811 thousand yen.</p>
<p>3.Scope of funds in statement of cash flows</p>	<p>Funds (cash and cash equivalents) in statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less at the date of acquisition that can readily be converted into cash and that are subject to insignificant risks of changes in value.</p>
<p>4.Method of hedge accounting</p>	<p>(1) Method of hedge accounting Special treatment is adopted for the interest rate swap that meets the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items: • Hedging instruments.....Interest rate swap transaction •Hedged items....Interest rate on loans</p> <p>(3) Policy for hedging CSIF conducts derivative transactions to hedge risks as set forth in the CSIF's Articles of Incorporation according to the rules for risk management.</p> <p>(4) Method of evaluation of effectiveness of hedging The interest rate swap meets the requirements for special treatment, and thus the evaluation of effectiveness is omitted.</p>

5. Other significant matters serving as the basis for preparation of financial statements	Accounting for Consumption tax Consumption tax and local consumption tax are excluded from the corresponding transaction amount.
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[NOTES ON UNAPPLIED ACCOUNTING STANDARDS]

(Unapplied Accounting Standards)

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 published on March 30, 2018 by the Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 published on March 30, 2018 by the Accounting Standards Board of Japan)

1. Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have jointly developed a converged accounting standard on revenue recognition and issued “Revenue from Contracts with Customers” (IFRS 15 by IASB and Topic 606 by FASB) in May 2014. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018 and Topic 606 is effective for annual reporting periods beginning on or after December 15, 2017. In this connection, the ASBJ developed a converged accounting standard on revenue recognition and issued the standard together with its implementation guidance.

The ASBJ followed two policies in developing accounting standard for revenue recognition. That is, to incorporate all basic IFRS 15 requirements to ensure comparability of financial statements, but also to consider additional alternative treatments based on practices applied by Japanese companies so that the standards would not significantly impair comparability.

2. Planned date of application

CSIF will apply the standard at the beginning of the fiscal period ending December 2021.

3. Effect of application of the standard

The effect that the application of Accounting Standard for Revenue Recognition will have on the financial statements is currently under evaluation.

[NOTES TO BALANCE SHEET]

*1 Minimum net assets stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)	
As of September 30, 2017	As of June 30, 2018
50,000	50,000

[NOTES TO STATEMENT OF INCOME]

*1 Breakdown of profits and losses from the rental business of renewable energy power generation facilities, etc.

(Unit: thousand yen)

	From May 18, 2017 to September 30, 2017	From October 1, 2017 to June 30, 2018
1. Operating revenue from the rental business of renewable energy power generation facilities, etc.		
Rental revenue of renewable energy power generation facilities, etc.		
(Basic rent)	-	1,370,356
(Variable rent linked to actual output)	-	652,674
(Incidental income)	-	6
Total operating revenue from the rental business of renewable energy power generation facilities, etc.	-	2,023,037
2. Operating expenses from the rental business of renewable energy power generation facilities, etc.		
Rental expenses of renewable energy power generation facilities, etc.		
(Management entrustment expenses)	-	133,827
(Repair and maintenance costs)	-	-
(Taxes and duties)	-	154,281
(Utilities expenses)	-	-
(Insurance expenses)	-	11,632
(Depreciation expenses)	-	743,210
(Land rent)	-	23,253
(Other rental cost)	-	-
Total operating expenses from the rental business of renewable energy power generation facilities, etc.	-	1,066,206
3. Profits and losses from the rental business of renewable energy power generation facilities, etc.	-	956,830

[NOTES TO STATEMENT OF CHANGES IN NET ASSETS]

*1 Total number of authorized investment units and the total number of investment units issued and outstanding

	From May 18, 2017 to September 30, 2017	From October 1, 2017 to June 30, 2018
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,500 units	182,190 units

[NOTES TO STATEMENT OF CASH FLOWS]

*1 Relationship between the ending balance of cash and cash equivalents and the amounts on the balance sheet

(Unit: thousand yen)

	From May 18, 2017 to September 30, 2017	From October 1, 2017 to June 30, 2018
Cash and deposits	89,637	2,031,379
Cash and cash equivalents	89,637	2,031,379

[NOTES ON LEASE TRANSACTIONS]

Operating lease (as the lessor)
Future minimum lease payments

(Unit: thousand yen)

	Fiscal period ended September 30, 2017	Fiscal period ended June 30, 2018
Within one year	-	2,176,829
Longer than one year	-	36,039,821
Total	-	38,216,650

[NOTES ON FINANCIAL INSTRUMENTS]

1. Situation of financial instruments

(1) Policy for financial instruments

CSIF procures funds for acquiring new assets or repaying loans through loans from financial institutions or issuing investment units. The basic policy is to build stable and sound financial operations to maintain and increase earnings in the medium to long term and grow the size and value of assets.

(2) Details of the financial instruments and their risks and the risk management system

Long-term loans payables are one of the means to procure the funds for the acquisition of managed assets and are exposed to interest rate fluctuation risk and liquidity risk, among other risks. However, this risk is deducted through the appropriate balancing of the loan period and the interest rate type, and diversification of lenders, and the appropriate management of various types of indexes, especially the general application of the upper limit of the ratio of interest-bearing, which is 60%.

(3) Supplementary explanation on fair value of financial instruments

The fair values of financial instruments are values based on market prices, or if there are no market prices, values are reasonably calculated. Since certain assumptions are used for the calculation of fair values, they may change if different assumptions are used.

2. Matters relating to fair values of financial instruments

The table below shows the book value and fair values of financial instruments as of September 30, 2017, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	89,637	89,637	-
Total assets	89,637	89,637	-
(2) Accounts payable	480	480	-
Total liabilities	480	480	-

(Note 1) Methods used for estimating the fair values of financial instruments

Assets

(1) Cash and deposits. These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

Liabilities

(2) Accounts payable. These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

The table below shows the book value and fair values of financial instruments as of June 30, 2018, and the difference between them. Financial instruments whose fair values are extremely difficult to estimate are not included in the table.

(Unit: thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	2,031,379	2,031,379	-
(2) Operating accounts receivable	318,430	318,430	-
Total assets	2,349,809	2,349,809	-
(3) Current portion of long-term loans payable	2,883,702	2,882,035	(1,667)
(4) Long-term loans payable	15,219,585	15,358,035	138,450
Total liabilities	18,103,288	18,240,071	136,783
(5) Derivative transaction	-	-	-

(Note 1) Methods used for estimating the fair values of financial instruments and matters related to derivative transactions

Assets

(1) Cash and deposit

(2) Operating accounts receivable

These financial instruments are settled in the short term, and their fair values are deemed to approximate their book value. Therefore, the book values are used as the values.

Liabilities

(3) Current portion of long-term loans payable

(4) Long-term loans payable

With respect to long-term loans payable at variable interest rates, the condition that the interest rates are renewed every certain period is applied to loans, and thus the market value is considered to be close to the book value. Accordingly, the book value is used. In addition, for the long-term loans payable at variable interest rates subject to the special treatment of interest rate swap (refer to the "Notes on derivative transactions" below), the fair value is measured by discounting the total sum of the principal and interest treated together with the said interest rate swap as one at the interest rate that is applied when the similar loan is obtained and that is reasonably estimated.

(5) Derivative transaction

Please refer to the "Notes on derivative transactions" below.

(Note 2) Scheduled redemption amounts of monetary receivables after the closing date (September 30, 2017)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	89,637	-	-	-	-	-
Total	89,637	-	-	-	-	-

Scheduled redemption amounts of monetary receivables after the closing date (June 30, 2018)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(1) Cash and deposits	2,031,379	-	-	-	-	-
(2) Operating accounts receivable	318,430	-	-	-	-	-
Total	2,349,809	-	-	-	-	-

(Note 3) Scheduled redemption amount of loans payables after the closing date (September 30, 2017)

Not applicable.

Scheduled redemption amount of loans payables after the closing date (June 30, 2018)

(Unit: thousand yen)

	Within one year	Longer than one year, within two years	Longer than two years, within three years	Longer than three years, within four years	Longer than four years, within five years	Longer than five years
(3) Current portion of long-term loans payable	2,883,702	-	-	-	-	-
(4) Long-term loans payable	-	845,487	1,600,846	838,811	855,747	11,078,692
Total	2,883,702	845,487	1,600,846	838,811	855,747	11,078,692

[NOTES ON SECURITIES]

Prior fiscal period (as of September 30, 2017)

Not applicable.

Current fiscal period (as of June 30, 2018)

Not applicable.

[NOTES ON DERIVATIVE TRANSACTIONS]

1.Those to which hedge accounting is not applied

Prior fiscal period (as of September 30, 2017)

Not applicable.

Current fiscal period (as of June 30, 2018)

Not applicable.

2.Those to which hedge accounting is applied

Prior fiscal period (as of September 30, 2017)

Not applicable

Current fiscal period (as of June 30, 2018)

(Unit: thousand yen)

Method of hedge accounting	Type of derivative transactions and other matters	Major items hedged	Contract amount and other amounts		Fair value	Method of calculation of said market value
				Longer than one year		
Special treatment of interest rate swap	Interest rate swap transaction Fixed payment/variable receipt	Long-term loans payable	15,195,201	14,399,405	(Note)	-

(Note) Those that are subject to special treatment of interest rate swap are treated together with the current portion of long-term loans payable and the long-term loans payable to be hedged as one, and thus their fair value is presented together with the fair value of (Note 1) (3) Current portion of long-term loans payable and (4) Long-term loans payable in "Notes on financial instruments 2.Matters relating to fair values of financial instruments, among other matters" .

[NOTES ON RETIREMENT BENEFITS]

Prior fiscal period (as of September 30, 2017)

Not applicable.

Current fiscal period (as of June 30, 2018)

Not applicable.

[NOTES ON TAX EFFECT ACCOUNTING]

Prior fiscal period (as of September 30, 2017)

Not applicable.

Current fiscal period (as of June 30, 2018)

(1) Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Unit: thousand yen)

	Fiscal period ended September 30, 2017	Fiscal period ended June 30, 2018
Accrued business tax not deductible from taxable income	-	27
Total deferred tax assets	-	27
Net amount of deferred tax assets	-	27

(2) Breakdown of each major item that causes a significant difference between the effective statutory tax rate and the rate of the burden of corporate tax and other taxes after the application of tax effect accounting

	Fiscal period ended September 30, 2017	Fiscal period ended June 30, 2018
Effective statutory tax rate	- (Note)	31.74%
(Adjustment)		
Dividends paid deductible for tax purpose	- (Note)	(26.87)%
Loss carried forward and deducted for the period	- (Note)	(4.72)%
Others	- (Note)	0.28%
Rate of burden of corporate tax and other taxes after the application of tax effect accounting	- (Note)	0.43%

(Note) Omitted because CSIF recorded a loss before tax.

[NOTES ON SHARE OF PROFIT (LOSS) OF ENTITIES ACCOUNTED FOR USING EQUITY METHOD, ETC.]

Prior fiscal period (as of September 30, 2017)

Not applicable.

Current fiscal period (as of June 30, 2018)

Not applicable.

[NOTES ON RELATED PARTY TRANSACTIONS]

1. Major corporate unitholders

Prior fiscal period (from May 18, 2017 to September 30, 2017)

Attributes	Name of company	Address	Capital or investment (thousand yen)	Business or occupation	Unitholding ratio (owned)	Relationship		Transactions	Amount of transactions (thousand yen)	Item	Ending balance (thousand yen)
						Interlocking officers	Business relationship				
Controlling unitholder	Canadian Solar Projects K.K.	50F Shinjuku Mitsui Building, 2-1-1 Nishi Shinjuku, Shinjuku-ku, Tokyo	100,000	Installation, operation and maintenance business of equipment for photovoltaic power generation and other new energy	100.0%	None	Controlling unitholder	Acceptance of investment	150,000	Total amount of investment	150,000

(Note 1) Of the amounts described above, the transaction amount does not include consumption taxes and other taxes.

(Note 2) With respect to the transaction conditions, the market price and other conditions are referred to in the decision.

Current fiscal period (from October 1, 2017 to June 30, 2018)

Not applicable.

2. Affiliates

Prior fiscal period (from May 18, 2017 to September 30, 2017)

Not applicable.

Current fiscal period (from October 1, 2017 to June 30, 2018)

Not applicable.

3.Fellow Subsidiaries

Prior fiscal period (from May 18,2017 to September 30, 2017)

Attributes	Name of company	Address	Capital or investment (thousand yen)	Business or occupation	Unitholding ratio (owned)	Relationship		Transactions	Amount of transactions (thousand yen)	Item	Ending balance (thousand yen)
						Interlocking officers	Business relationship				
Subsidiary of controlling unitholder	Canadian Solar Asset Management K.K.	33F Shinjuku Center Building, 1-25-1 Nishi Shinjuku, Shinjuku-ku, Tokyo	150,000	Investment management business	-	There are interlocking officers	Delegation of asset management	Payment of remuneration for organizer	40,000	-	-

Current fiscal period (from October 1,2017 to June 30, 2018)

Not applicable.

4.Officers and major individual unitholders

Prior fiscal period (from May 18,2017 to September 30, 2017)

Not applicable.

Current fiscal period (from October 1,2017 to June 30, 2018)

Not applicable.

[NOTES ON ASSET RETIREMENT OBLIGATIONS]

Prior fiscal period (from May 18,2017 to September 30, 2017)

Not applicable.

Current fiscal period (from October 1,2017 to June 30, 2018)

Not applicable.

[NOTES ON INVESTMENT AND RENTAL PROPERTY]

CSIF has renewable energy power generation facilities, etc. . The book value , change during the period and fair value at the end of the period are as shown below.

(Unit: thousand yen)

	Fiscal period ended September 30, 2017	Fiscal period ended June 30, 2018
Book value (Note 2)		
Beginning balance	-	-
Change during the period (Note 3)	-	31,110,561
Ending balance	-	31,110,561
Fair value at the end of the period (Note 4)	-	35,963,000

(Note 1) The real estate that CSIF holds is real estate to be provided for the use of renewable energy power generation facilities, and thus with respect to the book value and the fair value, the amount of the renewable energy power generation facilities and real estate are stated together as one.

(Note 2) The book value is the amount at acquisition cost less the accumulated depreciation.

(Note 3) The change during the period primarily consisted of the increase due to acquisition of fifteen photovoltaic power generation facilities (31,853,772 thousand yen), and the decrease due to depreciation expenses (743,210 thousand yen).

(Note 4) The fair value is the total sum of the intermediate values according to Article 41, paragraph 1 of the CSIF's Articles of Incorporation on the basis of the appraised value in the range stated in the valuation report with the date of the value opinion on June 30, 2018, which was obtained from PricewaterhouseCoopers Sustainability LLC.

In addition, profits and losses from the renewable energy power generation facilities, etc. for the fiscal period ended September 30, 2017 (the 1st period) and the fiscal period ended June 30, 2018 (the 2nd period) are as stated in the "Notes to statement of income" above.

[NOTES ON SEGMENT INFORMATION]

1.Segment information

Since CSIF has a single segment of the rental business of infrastructure assets, the segment information is omitted.

2.Related Information

Prior fiscal period (from May 18,2017 to September 30, 2017)

(1) Information on products and services

Information is omitted because operating revenue is not generated.

(2) Information on regions

① Operating revenue

Information is omitted because operating revenue is not generated.

② Property and equipment

Information is omitted because the Investment Corporation does not hold property, plant and equipment.

(3) Information on major customers

Information is omitted because operating revenue is not generated.

Current fiscal period (from October 1,2017 to June 30, 2018)

(1) Information on products and services

Information is omitted because operating revenue from a single product/service to outside customers exceeds 90% of the operating revenue on the statement of income.

(2) Information on regions

① Operating revenue

Information is omitted because operating revenue from outside customers in Japan exceeds 90% of the operating revenue on the statement of income.

② Property and equipment

Information is omitted because the amount of property and equipment located in Japan exceeds 90% of the amount of property and equipment on the balance sheet.

(3) Information on major customers

(Unit: thousand yen)

Name of customer	Total net revenue	Name of related segment
Tida Power 01 G.K.	1,976,071	Renewable energy power generation facilities, etc. rental business
CLEAN GUADALQUIVIR K.K.	11,895	Renewable energy power generation facilities, etc. rental business
Univergy 12 G.K.	35,064	Renewable energy power generation facilities, etc. rental business

[NOTES ON PER UNIT INFORMATION]

	Prior fiscal period From May 18,2017 to September 30, 2017	Current fiscal period From October 1, June 30, 2018
Net assets per unit	67,065 yen	96,583 yen
Net income (Net loss) per unit	(32,934) yen	2,007 yen

(Note 1) Net income (Net loss) per unit is calculated by dividing net income (net loss) by the average number of investment units during the period. In the previous fiscal period, a loss was posted and there were no dilutive investment units, and thus diluted loss per unit is not stated. With respect to diluted profit per unit for the period under review, there are no dilutive investment units, and thus the statement is omitted.

(Note 2) The basis of calculation of net income (net loss) per unit is as follows.

	Prior fiscal period From May 18,2017 to September 30, 2017	Current fiscal period From October 1,2017 June 30, 2018
Net income (Net loss) (Thousand yen)	(49,402)	330,449
Amount not attributable to common unit holders (Thousand yen)	-	-
Net income (Net loss) attributable to Common unit holders (Thousand yen)	(49,402)	330,449
Average number of investment units during the period (Units)	1,500	164,642

[NOTES ON SIGNIFICANT SUBSEQUENT EVENTS]

1. Issuance of new investment units

CSIF passed a resolution on the issuance of new investment units (hereinafter referred to as the “Offering”) at the meeting of the board of directors held on August 14, 2018, and August 29, 2018 as shown below. Payment for the issuance of new investment units through public offering was completed on September 5, 2018.

(i) Issuance of new investment units through public offering

- Number of new investment units issued 46,667 units
26,697 units for the Japanese public offering
19,700 units for the international offering
- Issue Price (Offer Price) 102,180 yen per unit
- Total Issue Price (Total Offer Price) 4,768,434,060 yen
- Amount to be paid in (Issue amount) 96,625 yen per unit
- Total amount to be paid in (Total Issue amount) 4,509,198,875 yen
- Payment date September 5, 2018
- Purpose of funding The funds from the primary offering were allocated to part of the funds for acquisitions of specific assets (as defined in Article 2, paragraph 1 of the Act on Investment Trust and Investment Corporation ; the same shall apply hereinafter.)

(ii) Issuance of new investment units through third-party allotment

- Number of new investment units issued (upper limit) 2,333 units
- Amount to be paid in (Issue amount) 96,625 yen per unit
- Total amount to be paid in (Total Issue amount) 225,426,125 yen
- Allottee and number of investment units allotted (upper limit) Mizuho Securities 2,333 units
- Payment date September 5, 2018
- Purpose of funding The funds through third party allotment are the fund on hand by depositing with financial institutions until payment and are scheduled to be allocated to part of the funds for future acquisitions or repayment of borrowings.

2. Borrowings of the Funds

CSIF decided to borrow funds for the purpose of the appropriation of the funds obtained as set forth in “3. Acquisition of assets” below at the meeting of the board of directors held on August 14, 2018 and plans to borrow the funds described below on September 6, 2018.

CSIF completed the borrowing of funds, as described below, on September 6, 2018. The borrowed funds were applied to partial fund for acquisition of the newly acquired assets described in “3. Acquisition of assets” below and expenses related thereto (including consumption taxes).

Type (Note 1)	Lenders	Borrowing Amount (million yen)	Interest Rate (Note 2)	Drawdown Date	Repayment date	Repayment Method (Note 3)	Security (Note 4)
Long-term	Shinsei Bank, Limited (arranger) Sumitomo Mitsui Banking Corporation (arranger) MUFG Bank, Ltd. (co-arranger) The Nanto Bank, Ltd.	8,000 (Note 5)	Base rate plus 0.45% (Note 6) (Note 7)	September 6, 2018	Corresponding date in ten years from the drawdown date	Partial installment (Note 5)	Unsecured, unguaranteed
Long-term	Shinsei Bank, Limited (arranger) Sumitomo Mitsui Banking Corporation (arranger) MUFG Bank, Ltd. (co-arranger)	850 (Note 8)	Base rate plus 0.20% (Note 9)	September 6, 2018	The earlier date of (i) June 30, 2020 or (ii) the first interest payment date on or after the consumption taxes refund date	Lump-sum payment	Unsecured, unguaranteed

(Note 1) Long-term refers to borrowings that have a period of over a year from the drawdown date to the repayment date.

(Note 2) Finance related costs paid to the lenders are not included.

(Note 3) CSIF can make an early repayment of all or part of our borrowings subject to certain conditions, such as prior written notice to the relevant lenders.

(Note 4) The loan agreements contain restrictive financial covenants to be applied on each settlement date of CSIF, such as the total amount of interest-bearing liabilities to the total asset value (LTV), debt-to equity ratio and debt service coverage ratios as indicators to determine the ability of CSIF to repay the loan. Breaches of such covenants for 2 successive fiscal periods or an occurrence of an acceleration event could result in being required to grant security interests in favor of the lenders.

(Note 5) CSIF intends to enter into balloon amortization loans, which has an initial principal repayment date of December 31, 2018, and subsequent principal repayment dates shall be the last day of June and December (if a principal repayment date is not a business day, then the payment shall be made on the immediately succeeding business day; provided, however, that if such payment day falls into the following month, then the payment shall be made on the immediately preceding business day) and the remaining principal shall be repaid as a balloon payment on the repayment date. Principal repaid as a percentage of the outstanding balance as at December 31, 2018 will be 2.418%.

(Note 6) The applicable base rate for each interest calculation period (being 6 months, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date shall be the 6 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the Drawdown Date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate shall be revised for each interest period.

However, if a corresponding base rate is not available for an interest calculation period, the base rate shall be calculated using the method agreed in the relevant loan agreement.

(Note 7) The interest rate for the full amount of the Term Loan shall be effectively fixed at 1.042% with the execution of the interest rate swap agreements

(Note 8) CSIF stated payment of consumption tax as the use of the funds borrowed and plans to use any refund of consumption tax to repay the funds borrowed.

(Note 9) The applicable base rate for each interest calculation period (being 1 month, excluding the first and last interest period) for the calculation of the interest payable on the interest payment date shall be the 6 month Japanese yen TIBOR (Tokyo Interbank Offered Rate) announced by the General Incorporated Association JBA (Japanese Bankers Association) TIBOR Administration on the 2nd business day prior to the Drawdown Date for the first interest calculation period and on the 2nd business day prior to the beginning of each relevant interest calculation period thereafter. The applicable base rate shall be revised for each interest period. However, if a corresponding base rate is not available for an interest calculation period, the base rate shall be calculated using the method agreed in the relevant loan agreement.

3. Acquisition of assets

The Investment Corporation decided to acquire the following assets with the funds of “2. Borrowings of the Funds” above according to the basic policy for asset management set forth in the Articles of Incorporation at the meeting of the board of directors held on August 14, 2018 and plans to acquire the said assets on September 6, 2018.

CSIF completed the acquisition of assets, as described below, on September 6, 2018.

Asset number (Note 1)	Project name (Note 2)	Location (Note 3)	Acquisition Price (million yen) (Note 4)	Acquired from
S-16	CS Ena-shi Power Plant	Ena-shi, Gifu	757	Univergy 23 G.K.
S-17	CS Daisen-cho Power Plant (A) and (B)	Saihaku-gun, Tottori	10,447	CLEAN ENERGIES XXI G.K.
S-18	CS Takayama-shi Power Plant	Takayama-shi, Gifu	326	Univergy 10 G.K.
Total			11,530	-

(Note 1) Asset number is the number that we have assigned to our projects, based on the classification of the renewable energy project. The S denotes a solar energy project. The same applies herein.

(Note 2) “CS” is the abbreviation for Canadian Solar. The same applies herein.

(Note 3) Based on the location of the land or one of the lands upon which the photovoltaic power generation is installed, as described in the property registry. In either case, the address is described up to the city or district.

(Note 4) With respect to CS Ena-shi Power Plant, on the acquisition date, surface right was established for CSIF to hold photovoltaic power generation facilities and to engage in business related thereto by CS Mie Yamada G.K., the surface right establisher. The anticipated acquisition price for CS Ena-shi Power Plant includes a lump-sum fee in the amount of ¥44,844,848 to be paid to CS Mie Yamada G.K. for the surface rights, which covers the duration of the term of the surface rights until September 30, 2042.

(7) [Supplementary Schedules]

1. Schedule of Securities

Not applicable.

2. Status of Contract Amounts, etc. and Estimated Fair Value of Derivative Transactions and Forward Exchange Transactions

(Unit: thousand yen)

Category	Type	Contract amount, etc. (Note 1)		Fair value (Note 2)
			Longer than one year	
OTC (over-the-counter)	Interest rate swap transactions pay-fixed, receive-variable	15,195,201	14,399,405	-
Total		15,195,201	14,399,405	-

(Note 1) The contract amount, etc. of interest rate swap transactions is based upon Notional principal amount.

(Note 2) Fair value is omitted because the transaction meets the requirement for special treatment based on the Accounting Standard for Financial Statements

3. Schedule of Assets Related to Real Estate

Not applicable.

4. Schedule of Assets Related to Renewable Energy Power Generation Facilities

(Unit: million yen)

Asset Type		Balance as of October 1, 2017	Increase during the period	Decrease during the period	Balance as of June 30, 2018	Accumulated depreciation or accumulated amortization		Net balance as of June 30, 2018	Remarks
							Depreciation during the period		
Property and equipment	Structures	-	517	-	517	13	13	503	(Note)
	Machinery and equipment	-	26,507	-	26,507	716	716	25,790	(Note)
	Tools, furniture and fixtures	-	462	-	462	12	12	450	(Note)
	Land	-	3,876	-	3,876	-	-	3,876	(Note)
	Construction in progress	0	1	-	1	-	-	1	
	Total	0	31,366	-	31,366	743	743	30,622	
Intangible assets	Leasehold rights	-	489	-	489	-	-	489	(Note)
	Software	-	3	-	3	0	0	3	
	Total	-	493	-	493	0	0	492	

(Note) The "Increase during the Period" is entirely due to the acquisition of Photovoltaic power generation facilities (October 31, 2017 and February 1, 2018).

5. Schedule of Other Specified Assets

Not applicable.

6. Schedule of Investment Corporation Bonds

Not applicable.

7. Schedule of Loans Payable

Category	Lender	Balance as of October 1, 2017 (million yen)	Increase during the period (million yen)	Decrease during the period (million yen)	Balance as of June 30, 2018 (million yen)	Average interest rate (%) (Note 1)	Repayment date	Repayment method	Use	Remarks
Long-term loans payable	Shinsei Bank, Limited	-	2,400	77	2,322	0.84500 (Note 2)	October 31, 2027	Repayment in partial installments	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	1,500	48	1,451					
	Sumitomo Mitsui Banking Corporation	-	1,500	48	1,451					
	MUFG Bank, Ltd.	-	1,000	32	967					
	Resona Bank, Limited	-	1,800	57	1,742					
	ORIX Bank Corporation	-	1,000	32	967					
	The Hiroshima Bank, Ltd.	-	1,800	57	1,742					
	The Nanto Bank, Ltd.	-	1,800	57	1,742					
	The Oita Bank, Ltd.	-	900	28	871					
	THE SHONAI BANK, LTD.	-	900	28	871					
	THE MIE BANK, LTD.	-	200	6	193					
	THE TOCHIGI BANK, LTD.	-	900	28	871					
	Shinsei Bank, Limited	-	1,040	-	1,040	0.29945	The earlier date of (i) June 30, 2019 or (ii) the first interest payment date on or after the consumption tax refund date	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	500	-	500					
	Sumitomo Mitsui Banking Corporation	-	500	-	500					
	Sumitomo Mitsui Banking Corporation	-	900	31	868	0.57636	February 1, 2021	Repayment in partial installments	(Note 4)	Unsecured Unguaranteed
Total		-	18,640	536	18,103	-	-	-	-	-

(Note 1) The average interest rate is the weighted-average figure during the period and is rounded to the sixth decimal place.

(Note 2) CSIF conducts interest rate swaps which fix interest rates to hedge interest rate risk, and the average interest rate is the weighted-average figure during the period taking the effect of interest rate swaps into consideration.

(Note 3) CSIF plans to use any refund of consumption tax paid in connection with the acquisition of acquired assets to repay the funds borrowed.

(Note 4) Funds are used mainly for acquisition of renewable energy power generation facilities.

(Note 5) Scheduled redemption amounts of long-term loans payable within five years after the date of the balance sheet are as follows.

(Unit: thousand yen)

	Within one year	Longer than one year within two years	Longer than two years within three years	Longer than three years within four years	Longer than four years within five years	Longer than five years
Long-term loans payable	2,883,702	845,487	1,600,846	838,811	855,747	11,078,692

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canadian Solar Infrastructure Fund, Inc.

We have audited the accompanying financial statements of Canadian Solar Infrastructure Fund, Inc., which comprise the balance sheet as at June 30, 2018, the statement of income, the statements of changes in net assets, the statement of cash distributions, the statement of cash flows for fiscal year then ended, notes to financial statements, and supplementary schedules all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canadian Solar Infrastructure Fund, Inc. as at June 30, 2018, and its financial performance and its cash flows for fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to "Significant subsequent events" that describes that Canadian Solar Infrastructure Fund, Inc. issued new investment units, acquired assets and obtained additional borrowings.

Grant Thornton Taiyo LLC

December 20, 2018

Tokyo, Japan