

July 28, 2021

各 位

Investment Corporation

**Industrial & Infrastructure Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 3249)

Representative: Kumi Honda, Executive Director

URL: <https://www.iif-reit.com/english/>

Asset Management Company

**Mitsubishi Corp.-UBS Realty Inc.**

Representative: Katsuji Okamoto, President & CEO

Inquiries: Hidehiko Ueda,

Head of Industrial Division

TEL: +81-3-5293-7091

**Notice Concerning Submission of Revised Shelf Registration Statement**  
**for Social Bond Issuance**

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced that it has submitted Revised Shelf Registration Statement (the current Shelf Registration Statement was submitted on November 6, 2020) with respect to the Social Bond issuance (unsecured investment corporation bonds) (alias : the “IIF Social Bond”) (the “Social Bond” ) to the Kanto Local Finance Bureau today.

**Key Points**

- 1. Diversification of financing methods through the issuance of the IIF's first social bond**
- 2. Establishment of a unique Social Finance Framework of J-REIT specializing in industrial properties**
- 3. Promotion of further ESG initiatives by implementing impact investing aiming to acquire properties that contribute to solving social issues**

1. Objective and background of the Social Bond issuance

IIF aims to realize the Sustainability Vision of Mitsubishi Corp.-UBS Realty Inc. (“the Asset Manager”) “Contribute to solve global-scale issues through achieving enhancements to unitholder value through investment management”, by working on three mid to long term goals of “reducing environmental load (Environment), creating social value (Society), and practicing sound asset management for all stakeholders (Governance).”

In addition, IIF, the only J-REIT specializing in industrial properties, has contribute to the sustainable development of Japan's society and economy through investments in logistics facilities, factories, R&D facilities, and infrastructure facilities as the basis for all industrial activities (collectively referred to as "industrial properties"), with potential of stable use over the mid to long term, under the philosophy “Invests in infrastructure and industrial properties that and the source of the Japanese economy, and support Japanese industry from a real estate grand point.”

In recent years, Japan has faced various social issues, such as the declining birthrate and aging population, population decline, and increasing disaster damage. In this situation, industrial properties including

research and development facilities and industrial promotion support facilities, which IIF invests in, have important social roles to play and IIF recognizes that owning and operating these industrial properties long-term stably will contribute to resolving the social issues described above.

IIF aims to promote further ESG initiatives and expand financing methods by expanding investors who are proactive in ESG investment by raising funds through the Social Bond issuance as part of initiatives to resolve social issues.

## 2. Scheme of the Social Bond (Social Finance Framework)

IIF has established the Social Finance Framework (the “Social Finance Framework”) to implement social financing including issuing the Social Bond in accordance with Social Bond Principles 2021 <sup>(Note 1)</sup>.

IIF has received “Social 1 (F)” (the highest for JCR Social Finance Framework Evaluation <sup>(Note 2)</sup>) rating from Japan Credit Rating Agency, Ltd. (JCR), the third-party to evaluate social finance framework, for the Social Finance Framework.

(Note 1) The Social Bond Principles 2021 is the guideline to follow in issuing social bonds, established by the Green Bond Principles and Social Bond Principles Executive Committee, a nongovernmental body to which the ICMA acts as secretariat.

(Note 2) The “JCR Social Finance Framework Evaluation” is a third-party evaluation conducted by the JCR to evaluate a framework for social finance with respect to the degree to which funding provided in the form of social finance is appropriated to social projects as defined by the JCR, the quality of administrative and operational management regarding the use of the funding, and the level of efforts to ensure transparency therein. Ratings assigned in the JCR Social Finance Framework Evaluation have “(F)” at the end to distinguish from those assigned to specific bonds and loans. The rating assigned to the Social Bond in the JCR Social Finance Framework Evaluation can be found on the JCR’s website. <https://www.jcr.co.jp/greenfinance/social/>






### (1) Use of the proceeds from social financing

The proceeds from social financing including the Social Bond based on the Social Finance Framework will be allocated towards acquisition funds to purchase the properties that meet either of the Eligibility Social Criteria (“Eligible Social Projects”) described in “(3) Eligible Social Projects”, repayment of debts and redemption of investment corporation bonds (includes refinancing of these debts and investment corporation bonds) related to acquire Eligible Social Projects.

### (2) Eligible Social Projects

Eligible Social Projects are properties that meet either of the following Eligibility Social Criteria.

<p>Facilities for development of medical technology and treatment such as medicine, pharmaceuticals, and drug discovery, etc.</p>	<ol style="list-style-type: none"> <li>1. R&amp;D facilities for medical, pharmaceutical, drug discovery, etc.</li> <li>2. Manufacturing plants for medical devices and pharmaceuticals</li> <li>3. Logistics and distribution facilities for medical devices and pharmaceuticals</li> </ol> <p>&lt;Representative properties&gt;</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>【IIF Shonan Health Innovation Park】</p> </div> <div style="text-align: center;">  <p>【IIF Shonan Logistics Center】</p> </div> </div>
---	---

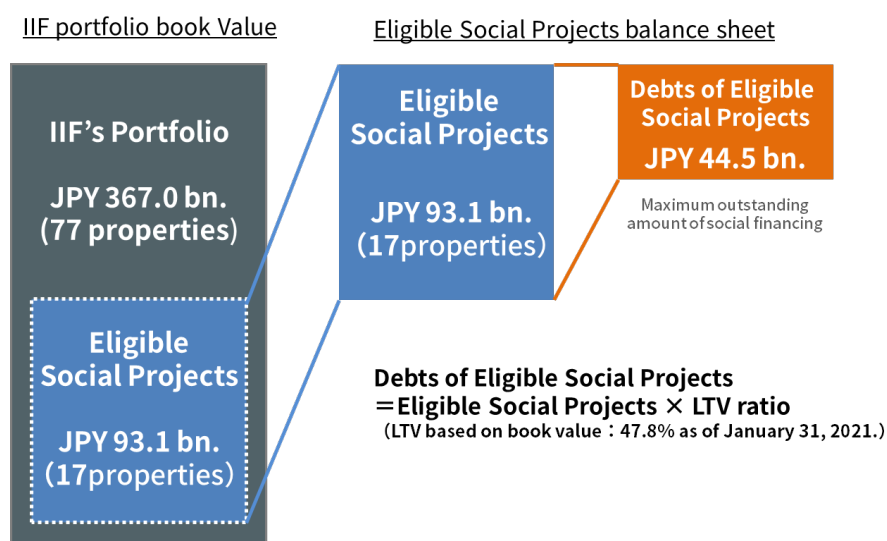
<p>Facilities for job creation and development of regional economies through industrial promotion, etc.</p>	<ol style="list-style-type: none"> <li>1. Facilities for industrial promotion support</li> <li>2. Facilities for job training and vocational training, etc.</li> <li>3. Factories and laboratories, etc., for job creation in regional economies</li> <li>4. Facilities utilizing land for the purpose of revitalizing regional economies led by public institution</li> </ol> <p>&lt;Representative properties&gt;</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>【IIF Kawasaki Science Center】</p> </div> <div style="text-align: center;">  <p>【IIF Kobe Nishi Logistics Center (land with leasehold interest)】</p> </div> </div>
<p>Facilities for maintenance and improvement of social life networks</p>	<ol style="list-style-type: none"> <li>1. Facilities for research and practice of automation and robot introduction</li> <li>2. R&amp;D facilities and data center facilities for telecommunications, mobility, and advanced industrial technologies, etc.</li> <li>3. Logistics facilities with temperature zone equipment (Cold storage, etc.)</li> </ol> <p>&lt;Representative properties&gt;</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>【IIF Shin-Kawasaki R&amp;D Center】</p> </div> <div style="text-align: center;">  <p>【IIF Shinagawa Data Center】</p> </div> </div>
<p>Facilities for maintenance and improvement of public lifelines</p>	<ol style="list-style-type: none"> <li>1. Renewable energy-related facilities</li> <li>2. Transportation infrastructure facilities (Airports, Harbors, Railways, and Roads (except for new construction))</li> <li>3. Lifeline infrastructure facilities (water supply, district heating and cooling, electricity, etc.)</li> <li>4. Other public facilities (incineration facilities and recycling centers)</li> </ol> <p>&lt;Representative property&gt;</p> <div style="text-align: center;">  <p>【IIF Kobe District Heating and Cooling Center】</p> </div>
<p>Facilities contributing to development of disaster prevention technologies, maintenance of redundancies and maintenance of logistics networks for daily necessities in the event of disasters, and facilities for temporary evacuation, etc.</p>	<ol style="list-style-type: none"> <li>1. R&amp;D facilities for disaster prevention technologies</li> <li>2. Data center facilities for maintaining redundancy in the event of a disaster</li> <li>3. Facilities with specifications that can be used and diverted as response bases for temporary evacuation centers, etc., in accordance with requests for cooperation from local governments and private companies and disaster prevention agreements</li> <li>4. Logistics facilities in line with BCP measures</li> <li>5. Logistics facilities where tenants have concluded material supply agreements in the event of a disaster</li> </ol>



(3) Management of the proceeds and maximum outstanding amount

For the establishment of the Social Finance Framework based on Social Bond Principles, the asset manager has selected Eligible Social Projects which meet the social eligibility criteria in the Sustainability Committee. The amount of Eligible Social Projects in our portfolio is 93.1 billion yen in total as of January 31, 2021 (based on book value), comprised by 17 properties. The maximum outstanding amount of social financing is “Debts of Eligible Social Projects” calculated by multiplying the total book value of Eligible Social Projects by IIF’s LTV ratio (47.8% as of January 31, 2021).

【Maximum outstanding amount of social financing (as of the end of January, 2021)】



(4) Reporting

<Allocation report of social financing>

IIF will disclose on the IIF website or in ESG reports published by the Asset Manager once a year that the proceeds from social financing including the Social Bond based on the Social Finance Framework are fully allocated to Eligible Social Projects in accordance with the Social Finance Framework and that the balance of the proceeds in social financing is not in excess of the amount of Debts of Eligible Social Projects. In addition, Projects subject to social financing and the allocation of funds for such projects will be also disclosed on the IIF website or in ESG Report published by the Asset Manager. If the proceeds are not allocated yet in excess of the amount of Debts of Eligible Social Projects, the amount or percentage of proceeds not yet allocated, the schedule of the allocation, and the temporary method of management of the proceeds not yet allocated will also be disclosed at the same time.

## <Impact Reporting>

While social financing including the Social Bond remain outstanding, IIF reports annually the total amount of Eligible Social Projects, Debts of Eligible Social Projects and the balance of outstanding amount of social financing as of the end of January of each year, as well as the following KPI on Impact Reporting on the IIF website or in ESG reports published by the Asset Manager.

Output indicators	<ul style="list-style-type: none"> <li>• Summary of Properties and Leases of Eligible Social Projects</li> <li>• Profit and Loss of Eligible Social Projects (Details of expenses related to property rental business, NOI)</li> <li>• Occupancy rate of Eligible Social Projects</li> </ul>
Outcome indicators	<p>(1) Facilities for the development of medical technology and treatment such as medicine, pharmaceuticals, and drug discovery, etc.</p> <ol style="list-style-type: none"> <li>1. Trends in social security benefits</li> <li>2. Trends in the number of researchers and R&amp;D expenditures in the pharmaceutical manufacturing industry</li> <li>3. Trends in the number of particular medical expenses (designated intractable disease) recipients</li> </ol> <p>(2) Facilities for job creation and development of regional economies through industrial promotion, etc.</p> <ol style="list-style-type: none"> <li>1. Number of business establishments, amount of shipments of manufactured goods, and number of employees in areas where facilities are located</li> </ol> <p>(3) Facilities for maintenance and improvement of social life networks</p> <ol style="list-style-type: none"> <li>1. Trends in workers' excess and deficiency judgement D.I.</li> <li>2. Trends in IT investment and GDP ratio</li> <li>3. Trends in food waste</li> </ol> <p>(4) Facilities for maintenance and improvement of public lifelines</p> <ol style="list-style-type: none"> <li>1. Renewable energy-related facilities: Trends in energy consumption of gas, electric power, etc.</li> <li>2. Traffic infrastructure facilities: Trends in the number of accidents</li> <li>3. Lifestyle infrastructure facilities: Population of the municipality in which the facility is located</li> </ol> <p>(5) Facilities contributing to development of disaster prevention technologies, maintenance of redundancies and maintenance of logistics networks for daily necessities in the event of disasters, and facilities for temporary evacuation, etc.</p> <ol style="list-style-type: none"> <li>1. Trends in the amount of damage of nature disaster</li> <li>2. Contents of cooperation with local governments and private companies, outline of disaster prevention agreements, and the number of actual use of disaster prevention site</li> <li>3. Outline of the material supply agreement in the event of a disaster</li> </ol>

<p>Impact (Qualitative Targets)</p>	<p>To contribute to the establishment and development of a stable social infrastructure by promoting industrial promotion and R&amp;D activities as a practice under the philosophy “Invests in infrastructure and industrial properties that and the source of the Japanese economy, and support Japanese industry from a real estate grand point.”</p>
---	--

### 3. Details for the Revised Shelf Registration Statement

IIF submitted the Revised Shelf Registration Statement for issuance of the first social bond of IIF to the Kanto Local Finance Bureau today. IIF plans to appoint SMBC Nikko Securities Inc. (Social Bond Structuring Agent <sup>(Note)</sup>), Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the lead managers for the issuance of the Social Bond to discuss the viability of issuing the Social Bond and the details of the issue terms such as interest rates, etc.

All of the proceeds from the Social Bond will be allocated towards acquisition funds to purchase Eligible Social Projects, repayment of debts and redemption of investment corporation bonds (includes refinancing of these debts and investment corporation bonds) related to acquire Eligible Social Projects.

(Note) “Social Bond Structuring Agent” refers to one who supports the issuance of social bonds through the establishment of a Social Bond Framework, the offering of advice in acquiring second-party opinions, and so forth.

**About IIF:** Industrial & Infrastructure Fund Investment Corporation (“IIF”) is the first J-REIT focused on acquiring and operating both industrial and infrastructure properties in Japan—properties that play a vital role in the Japanese economy, and for which IIF expects to see stable demand in the mid to long term. With respect to industrial properties, IIF intends to invest in a diverse portfolio of properties, including manufacturing and research and development facilities.

Please refer to our website at <https://www.iif-reit.com/english/>

**Contacts:** For the further information relating to this press release as well as IIF and its Asset Manager, please feel free to contact Mr. Hidehiko Ueda (Telephone Number: 81-3-5293-7090), Head of Industrial Division at Mitsubishi Corp.-UBS Realty Inc., asset manager for Industrial & Infrastructure Fund Investment Corporation.

**Investor Relations:** Telephone Number: 81-3-5293-7091 E-mail: [iif-3249.ir@mc-ubs.com](mailto:iif-3249.ir@mc-ubs.com)

*This English language release is for informational purposes only, and the Japanese language release should be referred to as the original.*