

December 8, 2021

To all concerned parties:

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**Notice Concerning Acquisition of Real Estate Trust Beneficiary Right and
Amendment of Anticipated Acquisition Price
【IIF Yokkaichi Logistics Center (New Building and Existing Building)】**

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today that Mitsubishi Corp. – UBS Realty Inc., IIF’s asset manager (the “Asset Manager”), decided to acquire a domestic real estate trust beneficiary right (the “Anticipated Acquisition(New Building)”) and to amend the anticipated acquisition price of IIF Yokkaichi Logistics Center (*Existing Building*) (the “Existing Building”) announced to be acquired on September 8, 2021, as outlined below.

1. Summary of Anticipated Acquisition (New Building)

Property number (Note 1)	Property name	Location	Seller	Anticipated acquisition price (million yen)	Appraisal value (Note 2) (million yen)	NOI yield (Note 3)	NOI yield (after depreciation) (Note 3)	Anticipated acquisition date
L-51	IIF Yokkaichi Logistics Center (<i>New Building</i>)	Yokkaichi-shi, Mie	Kajima Leasing Corporation	5,382	6,010	5.5%	2.8%	September 16, 2022

(Note 1) “Property number” classifies properties owned or to be acquired by IIF into three categories, namely, L (logistics facilities), F (manufacturing, research and development facilities) and I (infrastructure facilities). The same shall apply hereinafter.

(Note 2) The “appraisal value” is the appraisal value as of December 1, 2021 described in the appraisal report for the new building based on the plan for development of new building in planned construction site on the premise of IIF Yokkaichi Logistics Center (*Existing Building*). For the details of the appraisal report, please refer to “13. Summary of Appraisal Report” below. The same shall apply hereinafter.

(Note 3) For the calculation formulas of “NOI yield” and the “NOI yield (after depreciation)”, please refer to “【Reference: Definitions of Individual Calculation Formulas】” below. The same shall apply hereinafter.



【IIF Yokkaichi Logistics Center (*New Building*)】



【Plan to develop a new building on the site】

※This is rendering images prepared on the assumption that the new building will be constructed, and may differ from the actual building.

2. Reason for Acquisition and Lease

IIF decided to acquire the Anticipated Acquisition (New Building) based on its judgment that the characteristics of the property are aligned with IIF's investment strategies, specifically, the acquisition of quality asset that would contribute to increase cash distributions per unit. The Anticipated Acquisition (New Building) is the property located at the prime area with high scarcity. In deciding whether to acquire the property to be acquired, we evaluated the property in terms of profitability, long-term usability and versatility.

Please refer to section "4. Summary of Anticipated Acquisition (New Building) and Lease" for the details and reasons for acquisition and lease of the property.

With regards to the reasons for the lease of the Anticipated Acquisition (New Building), we are of the view that the tenant of the Anticipated Acquisition (New Building) meets the tenant selection criteria set forth in the "Report on the Management Structure and System of the Issuer of REIT Units and Related Parties", released as of October 28, 2021.

3. Background to the acquisition

IIF has decided to acquire the real estate trust beneficiary right in new logistics facility (the "New Building") which is planned to be developed on the premise of the Existing Building as well as acquire IIF Yokkaichi Logistics Center(Existing Building) announced in the press release titled "Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Yokkaichi Logistics Center (*Existing Building*)】" dated September 8, 2021 through a CRE proposal in collaboration with Kajima Group capturing expansion needs of distribution base of a major logistics company due to its business expansion. (Acquisition of the Existing Building and development project of the New Building are collectively called as the "Development Project".)

For the details of the Development Project, please refer to the press release titled "Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Yokkaichi Logistics Center (*Existing Building*)】" and "Supplementary Materials Concerning Press Release Dated September 8, 2021" dated September 8, 2021.

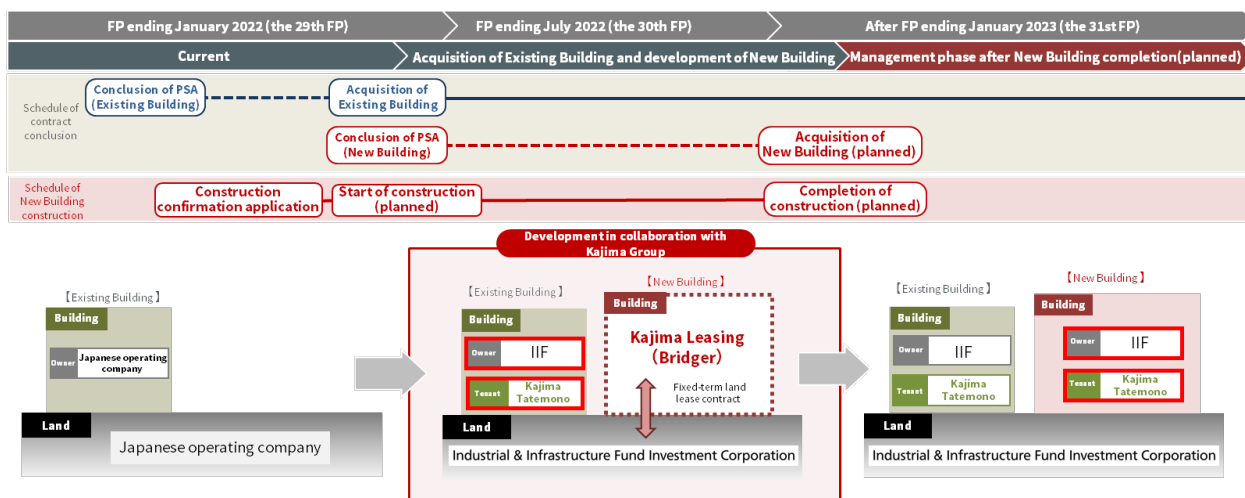
- Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Yokkaichi Logistics Center (*Existing Building*)】
<https://contents.xj-storage.jp/xcontents/32490/a57ac215/3fbc/499f/bdb2/432ec8bea462/140120210908495612.pdf>
- Supplementary Materials Concerning Press Release Dated September 8, 2021
<https://contents.xj-storage.jp/xcontents/32490/b68c39cd/5eab/4760/88ea/fa3415c66bd3/140120210908495614.pdf>

■ Scheme and schedule of the Development Project (planned)

IIF plans to acquire the Existing Building on December 13, 2021. In addition, as development project utilizing a bridge scheme, the New Building is planned to be constructed on the premise of the Existing Building by Kajima Leasing Corporation as construction contractee, which is bridger and seller of the New Building (the “Bridger”), and KAJIMA CORPORATION as construction contractor (the “Contractor”). IIF will conclude a purchase and sale agreement of trust beneficiary right in the New Building with the Bridger dated December 13, 2021 and acquire the New Building on September 16, 2022 (scheduled), the date of completion of the New Building. Furthermore, a fixed-term building lease reservation contract (master lease reservation contract) (the “Building Lease Reservation Contract”) for the New Building will be concluded between the Bridger as lessor and Kajima Tatemono Sogo Kanri Co., Ltd (“Kajima Tatemono”) as lessee and sublessor dated December 13, 2021. After the completion of the New Building, Sumitomo Mitsui Trust Bank, Limited (planned), which acts as trustee of the New Building (the “Trustee”) will succeed the title of the lessor of a fixed-term building lease contract which is to be concluded based on the Building Lease Reservation Contract from the Bridger.

Furthermore, the Trustee which is also trustee of the Existing Building will conclude a fixed-term land lease contract with the Bridger for the planned construction site for the New Building and receive the land rent regarding the construction of the New Building from the Bridger during the construction term.

Application for building certification of the New Building	November 25, 2021
Acquisition of the Existing Building	December 13, 2021 (scheduled)
Conclusion of fixed-term building lease contract (Existing Building)	December 13, 2021 (scheduled)
Conclusion of fixed-term land lease contract	December 13, 2021 (scheduled)
Conclusion of purchase and sale agreement of trust beneficiary right (New Building)	December 13, 2021 (scheduled)
Conclusion of fixed-term building lease reservation contract (New Building)	December 13, 2021 (scheduled)
Construction term of New Building	December 2021~September 2022 (scheduled)
Conclusion of fixed-term building lease contract (New Building)	September 2022 (scheduled)
Start operation of New Building	September 2022 (scheduled)



4. Summary of Anticipated Acquisition (New Building) and Lease

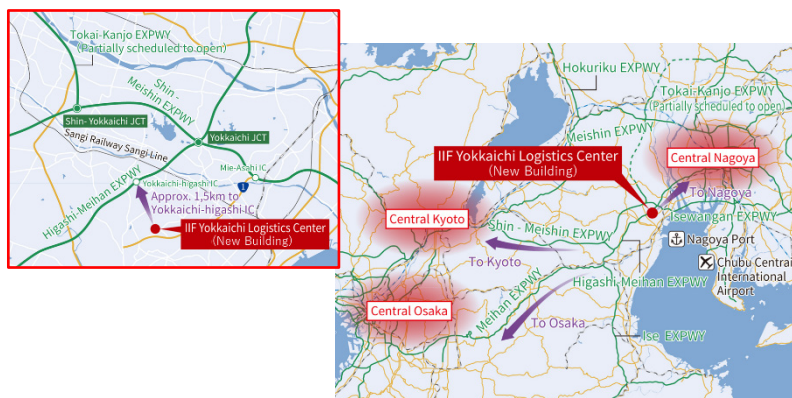
(1) Summary of Anticipated Acquisition (New Building)

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	Sompo Risk Management Inc.
Anticipated acquisition date	September 16, 2022 ^(Note 1)		Evaluation date	November 29, 2021
Anticipated acquisition price	5,382 million yen		Immediate repair cost	- yen
Appraisal value	6,010 million yen		Short-term repair cost	- yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.		Long-term repair cost	159,940,000 yen (for 20 years)
Date of trust beneficiary rights set (scheduled)	September 16, 2022		Annualized average repair cost	7,997,000 yen (annualized average of 20 years)
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust period end	December 31, 2031			
Location	1340-8, Aza Yamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, Japan and others ^(Note 2)			
Land area	32,929.09 m ² (on the premise of IIF Yokkaichi Logistics Center (Existing Building))	Building structure / stories	7-story steel-framed building ^(Note 3)	
Zoning	Exclusive industrial area			
Floor area ratio/ building-to-land ratio	200%/60%			
Type of Possession	Ownership			
Earthquake PML	3.6% ^(Note 3)			
Collateral	None	Construction Completion	September 16, 2022 ^(Note 3)	
Designer	KAJIMA CORPORATION Chubu branch First-class Architect Office	Gross floor area	34,541.40 m ² ^(Note 3)	
Structure designer	KAJIMA CORPORATION Chubu branch First-class Architect Office			
Constructor	KAJIMA CORPORATION Chubu branch	Type of building	Warehouse ^(Note 3)	
Confirmation and Inspection Organization	Bureau Veritas Japan Co., Ltd.			
Special notes	None			

(Note 1) “Anticipated acquisition date” is the scheduled date of completion and delivery as of today. It may change depending on the progress of the Development Project in the future.

(Note 2) Location is the address described in the building certification of the New Building.

(Note 3) “Building structure / stories”, “Construction completion”, “Earthquake PML”, “Gross floor area” and “Type of building” are described based on the design as of today. They may change in the future due to changes of the plan for the Development Project.



(2) Description of Lease Relating to Anticipated Acquisition (New Building) (planned) ^(Note 1)

Tenant(s)	Number of tenant(s) <small>(Note 2)</small>	Total leased area <small>(Note 3)</small> (occupancy rate)	Annual rent (excluding consumption tax) <small>(Note 4)</small>	Period of contract <small>(Note 3)</small>	Deposit ^(Note 4)
Kajima Tatemono Sogo Kanri Co., Ltd ^(Note 5)	1	33,327.00 m ² (100%)	-	10 years (from September 16, 2022 until September 15, 2032)	-
Total	1	33,327.00 m ² (100%)	-	-	-
Revision of rent or termination during the lease period					
<p>● Kajima Tatemono Sogo Kanri Co., Ltd Contract Type: Fixed-term building lease contract Contract Renewal and Revision^(Note 3):</p> <ul style="list-style-type: none"> · The lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply. In the event the lessor and the sublessee agree to revise the sublease rent based on the sublease agreement concluded between the lessee and the sublessee (the "Sublease Contract"), the lessee agrees to revise the rent in accordance with the rent revision of the sublease rent based on the Sublease Contract. · In the event the sublessee terminates the Sublease Contract prematurely pursuant to the Sublease Contract, the lessee may terminate the fixed-term building lease contract prematurely only if the lessor is notified in writing no later than 18 months prior to the date of termination (provided, however, that the lessee shall notify the lessor no later than the day following the date on which the written notice of termination from the sublessee to the lessee under the Sublease Contract arrives at the lessee) and the total rent equivalent from the date of such termination to the last day of the contract period (provided, however, that the amount shall be calculated on the basis of the monthly rent as of the date of termination) is paid to the lessor as a penalty in a lump sum. Provided, however, that the Penalty shall be paid directly by the sublessee to the lessor. 					

(Note 1) This description is based on a fixed-term building lease reservation contract scheduled to be concluded between the seller and the lessee dated December 13, 2021.

(Note 2) The number of tenants is based on the number of the building or land lease contract terms stipulated in each lease contract.

(Note 3) As the lease contract has not yet been concluded as of today, actual total leased area, period of contract and contract renewal and revision may change due to future discussions.

(Note 4) IIF has not obtained the necessary permission from the lessee to disclose this information.

(Note 5) The lessee as the sublessor (master lessee) will sublease whole building to sublessee.

(3) Reasons for the Acquisition
■ Long-term Usability

- Acquisition of new building of a logistics facility developed in collaboration with Kajima Group utilizing a bridge scheme capturing expansion needs of distribution base of a major logistics company due to its business expansion.
- Located in the area where a major semiconductor manufacturer has the one of the largest semiconductor manufacturing plants in the world, with high demand for logistics facilities of electronic component manufacturers, etc. including semiconductor-related companies
- To conclude the 10-year fixed-term building lease contract on anticipated acquisition date

■ Versatility
<Location>

- Located on approximately 1.5 km from Yokkaichi-higashi IC on Higashi-Meihan Expressway and in a highly versatile industrial area allowing 24-hour operating
- Accessible to a wide area including Central Kyoto and Central Osaka etc. as well as Central Nagoya due to the connection from Higashi-Meihan Expressway to Shin-Meishin Expressway and Isewangan Expressway

<Facility (planned)>

- Highly versatile building with a floor weight capacity of 1.5t/m², effective ceiling height under the beam of approx. 5.0 m - approx. 6.1 m and pillar intervals of approx. 11.5m × approx. 11.5m
- Potential to change to a double-sided berth in the future (Available for multi tenants)

5. Matters relating to Forward Commitment Contracts, etc.

(1) Anticipated Acquisition (New Building) that fall under a Forward Commitment Contract, etc.

The Purchase and Sale Agreement concerning Anticipated Acquisition (New Building) falls within the definition of forward commitment contract, etc. ^(Note) as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.

(Note) A forward commitment contract, etc. is defined as any sale and purchase agreement or other type of agreement that is signed a month or more in advance of the actual date of the settlement or delivery pursuant to the agreement. The same shall apply hereinafter.

(2) Effect on IIF's Financial Condition due to any Failure of IIF to comply with a Forward Commitment Contract, etc.

The purchase and sale agreement (the "Purchase and Sale Agreement") stipulates that IIF may terminate the Purchase and Sale Agreement if even one of the conditions precedent is not fulfilled. Such conditions precedent include that the New Building is delivered from the Contractor to the seller, the seller fulfills its obligation based on the construction contract concerning the New Building (however, it is limited to the obligation that the fulfillment period has arrived on the transaction execution date.) and ownership of the New Building is wholly owned by the seller, a lease contract for the New Building is concluded and other obligations to be fulfilled by the seller by the transaction execution date have been satisfied, etc. Furthermore, the condition precedent is stipulated that IIF shall complete the financing necessary for the payment concerning the Purchase and Sale Agreement.

The seller or IIF may, in the event that the other party has failed to comply with the agreements (meaning that the agreements are not fulfilled in accordance with the purpose, the same shall apply hereinafter) or the other party's representations and warranties set forth in the Purchase and Sale Agreement are found to be incorrect or misleading, request the other party to correct the items that are contrary to such representations and warranties or to promptly rectify such breach. If such correction or rectification is not made within a reasonable period even though it can be, or if it is clear that the purpose of the Purchase and Sale Agreement will not be attained in material respects due to such breach, misstatement or misleading representation, it is stipulated that the other party to a party who makes such breach, misstatement or misleading representation (hereinafter referred to as the "Breaching Party") may terminate the Purchase and Sale Agreement.

In this case, the other party of the Breaching Party shall be entitled to claim an amount equivalent to 20% of the total sales price (excluding the amount equivalent to the building consumption tax; the same shall apply hereinafter) as a penalty. Provided, however, that in the event of any damage in excess of the amount equivalent to 20% of the total sales price (limited to the extent that a reasonable causal relationship is found between damage and breach, misstatement or misleading representation as a cause of cancellation), any damage in excess of such amount shall not be precluded from claiming compensation. In addition, in the event the other party breaches any of the agreements or representations and warranties stipulated in the Purchase and Sale Agreement, the seller or IIF may, without electing to terminate the Purchase and Sale Agreement, seek compensation for damages, etc. incurred by the other party and seek fulfillment of the Purchase and Sale Agreement.

6. Profile of Seller

The profile of the seller is as follows.

(1) Name of company	Kajima Leasing Corporation
(2) Head office address	1-5, 1-chome, Motoakasaka, Minato-ku, Tokyo, Japan
(3) Representative	Jin Inaba, President & CEO
(4) Main line of business	Business such as leasing, buying and selling, brokerage, etc. of real estate and related equipment Construction project others
(5) Capital	400 million yen (as of March 31, 2021)
(6) Date of establishment	January 20, 1984
(7) Net assets	8,399 million yen (as of March 31, 2021)
(8) Total assets	31,732 million yen (as of March 31, 2021)
(9) Large shareholder (Shareholding ratio)	KAJIMA CORPORATION (100%) (as of March 31, 2021)
(10) Relation with IIF or the Asset Manager	There are no notable capital, personal or business relationships between IIF / the Asset Manager and the company, and there are no notable capital, personal or business relationships between interested parties and affiliated companies of IIF / the Asset Manager and those of the company. None of the company, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager

7. Profile of Broker

None.

8. Means of Payment

The acquisition funds of the Anticipated Acquisition (New Building) will be financed not only in cash on hand but also in financing such as debt, etc. as needed. In case of payment through financing, we will announce again when the amount, date, and method of the financing are determined. In addition, IIF plans to conduct a lump-sum settlement upon delivery for the Anticipated Acquisition (New Building).

9. Date of Acquisition

Property name	Contract signing date (scheduled)	Payment date (scheduled)	Delivery date (scheduled)
IIF Yokkaichi Logistics Center (<i>New Building</i>)	December 13, 2021	September 16, 2022	September 16, 2022

10. Amendment of the anticipated acquisition price of the Existing Building (planned) ^(Note 1)

As part of repair work of which cost shall be borne by the seller based on the purchase and sale agreement of trust beneficiary right in the Existing Building concluded on September 8, 2021, the seller of the Existing Building surveyed for the repair work of exterior wall. As a result of the survey, it is confirmed that asbestos is contained in base adjustment material of exterior finishing coating material. As a result of much consultation with the seller in consideration of its impact on profitability, the anticipated acquisition price of the Existing Building is going to be reduced from 3,640 million yen, the initial anticipated acquisition price, to 3,530 million yen.

Furthermore, as a result of survey on asbestos-containing building materials by EAI Co., Ltd., dated November 2021, it is assumed that there is no environmental or health problems in the continuous use of the Existing Building. And removal expenses of such asbestos (approximately 200 million yen) are to be recorded as asset retirement obligations by IIF from the fiscal period ending January 2022 (the 29th fiscal period).

■ Description of IIF Yokkaichi Logistics Center (*Existing Building*) after amendment of anticipated acquisition price

Property number	Property name	Location	Anticipated acquisition price (million yen)	Appraisal value ^(Note 2) (million yen)	NOI yield ^(Note 3)	NOI yield (after depreciation) ^(Note 3)	Anticipated acquisition date
L-51	IIF Yokkaichi Logistics Center (<i>Existing Building</i>)	Yokkaichi-shi, Mie	3,530	3,957	5.5 %	4.3 %	December 13, 2021

(Reference) Description of IIF Yokkaichi Logistics Center (*Existing Building*) before amendment of anticipated acquisition price

Property number	Property name	Location	Anticipated acquisition price (million yen)	Appraisal value (million yen)	NOI yield ^(Note 3)	NOI yield (after depreciation) ^(Note 3)	Anticipated acquisition date
L-51	IIF Yokkaichi Logistics Center (<i>Existing Building</i>)	Yokkaichi-shi, Mie	3,640	3,957	5.4 %	4.3 %	December 13, 2021

(Note 1) IIF and the seller will conclude an amendment agreement of purchase and sale agreement of trust beneficiary right on December 13, 2021 concerning amendment of anticipated acquisition price. There is no amendment of transaction terms including anticipated acquisition date except for the anticipated acquisition price. For the detail of the description and terms of transaction except for the anticipated acquisition price, please refer to the press release titled "Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Yokkaichi Logistics Center (*Existing Building*)】" dated September 8, 2021.

(Note 2) The "appraisal value" is the total of the appraisal value based on the appraisal report for the Existing Building as of August 1, 2021 and the appraisal value based on the appraisal report for planned construction site for New Building as of August 1, 2021. The same shall apply hereinafter.

(Note 3) For the calculation formulas of "NOI yield" and the "NOI yield (after depreciation)", please refer to "【Reference: Definitions of Individual Calculation Formulas】" below.

11. Future Outlook of IIF

As the New Building is scheduled to be acquired in September 2022, the acquisition of the New Building has no impact on the forecasts of operating status for the fiscal period ending January 2022 (the 29th fiscal period: August 1, 2021 to January 31, 2022) and the fiscal period ending July 2022 (the 30th fiscal period: February 1, 2022 to July 31, 2022). In addition, the impact of amendment of the anticipated acquisition price of the Existing Building on the forecasts of operating status for the fiscal period ending January 2022 (the 29th fiscal period: August 1, 2021 to January 31, 2022) and the fiscal period ending July 2022 (the 30th fiscal period: February 1, 2022 to July 31, 2022) is not material and the forecasts of operating status for the same fiscal periods remain unchanged.

12. Effect of the Development Project

The following effects are expected as a result of the Development Project. The appraisal value and unrealized gain after the acquisition of the New Building will be 10,300 million yen and 1,388 million yen (unrealized gain ratio +15.6%), respectively.

	Existing Building		New Building		After acquisition of New Building
Anticipated acquisition price <small>(Note1)</small>	JPY 3,530 million		JPY 5,382 million		JPY 8,912 million
Appraisal value <small>(Note2)</small>	JPY 3,957 million		JPY 6,010 million		JPY10,300 million
Unrealized gain (Unrealized gain ratio) <small>(Note3)</small>	JPY 427 million (+12.1%)	+	JPY 628 million (+11.7%)		JPY 1,388 million (+15.6%)
Total floor area <small>(Note4)</small>	18,155.31 m ²		34,541.40 m ²		52,696.71 m²
NOI yield/ NOI yield after depreciation <small>(Note5)</small>	5.5% / 4.3%		5.5% / 2.8% <small>(after adjustment by optimal payable distribution: 3.6%) <small>(Note6)</small></small>		5.5% / 3.4% <small>(after adjustment by optimal payable distribution: 3.9%) <small>(Note6)</small></small>

(Note 1) The "Anticipated acquisition price" of the property after acquisition of the New Building is a reference figure of totaling the anticipated acquisition price of the Existing Building (after amendment of the anticipated acquisition price, the same shall apply hereafter.) and that of the New Building. The New Building has not been completed as of today and the actual acquisition price of the New Building may change in the future due to changes in the content of plan for the Development Project. The same shall apply hereafter.

(Note 2) The "Appraisal value" of the property after acquisition of the New Building is the appraisal value based on the appraisal report for the entire of the Existing Building and the New Building based on the plan for the Development Project as of December 1, 2021. The same shall apply hereafter.

(Note 3) The "Unrealized gain" of the Existing Building is the difference between the appraisal value and the anticipated acquisition price of the Existing Building. The "Unrealized gain" of the New Building is the difference between the appraisal value and the anticipated acquisition price of the New Building. The "Unrealized gain" of the property after acquisition of the New Building is the difference between the appraisal value of the property after acquisition of the New Building and the total anticipated acquisition price of the Existing Building and the New Building. The "Unrealized gain" of the New Building and that of the property after acquisition of the New Building are estimated value as of today and there is no guarantee that they will be consistent with each actual unrealized gain. The anticipated acquisition price of the New Building and the actual appraisal value of the New Building may change in the future due to changes in the content of plan for the Development Project. The same shall apply hereafter.

(Note 4) The "Total floor area" of the New Building is the reference figure based on the current plan for the Development Project. The "Total floor area" of the property after acquisition of the New Building is the sum of the total floor area of the Existing Building and that of the New Building. The "Total floor area" of the New Building may change in the future due to changes in the content of plan for the Development Project.

(Note 5) $\text{NOI yield} = \text{NOI} / \text{Anticipated acquisition price}^{**}$

$\text{NOI yield after depreciation} = (\text{NOI-depreciation}^{***}) / \text{Anticipated acquisition price}$

*With respect to the calculation of NOI, the NOI of the Existing Building is calculated based on the total net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the Existing Building as of August 1, 2021 and in the appraisal report for planned construction site for New Building as of August 1, 2021. The NOI of the New Building is calculated based on the net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the New Building based on the plan for the Development Project as of December 1, 2021. The NOI of the property after acquisition of the New Building is calculated based on the net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the entire of the Existing Building and the New Building based on the plan for the Development Project as of December 1, 2021. The same shall apply hereafter.

** The anticipated acquisition price of the New Building and the property after acquisition of the New Building are reference figures as of today. The actual acquisition price of the New Building may change in the future due to changes in the content of plan for the Development Project and thus the NOI yield and the NOI yield after depreciation of the New Building and the property after acquisition of the New Building may change in the future. The same shall apply hereafter.

*** Each depreciation is estimate as of today calculated by using the depreciation rates under the straight-line method, which is the same method as IIF's owned assets, in proportion to the useful life for the Existing Building, the New Building and the property after acquisition of the New Building, respectively. The same shall apply hereafter.

For formulas for "NOI yield" and "NOI yield after depreciation," please refer to "【Reference : Definitions of Individual Calculation Formulas】" below.

(Note 6) NOI yield after depreciation (after adjustment by optimal payable distribution) = (Annual NOI after depreciation + depreciation (annual) of the New Building × 30%) / Anticipated acquisition price

Approval of changes in the Articles of Incorporation of IIF at the General Meeting of Unitholders of IIF is mandatory to implement optimal payable distribution. As of today, IIF has not decided on implementation of the optimal payable distribution, nor the call of the General Meeting of Unitholders for such amendment. NOI yield after depreciation (after adjustment by optimal payable distribution) described in this document is a reference value based on estimate as of today, and there is no guarantee that it will be realized.

13. Summary of Appraisal Report

【New Building】

Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	6,010 million yen
Appraisal value as of:	December 1, 2021

(Note) In the appraisal report for the New Building, the New Building is evaluated as a building with leasehold right as a fixed-term land lease contract is planned to be concluded on December 13, 2021, the anticipated acquisition date of the Existing Building.

Item	Value	Notes
Indicated value by income approach	6,010 million yen	
DC method by the adjusted Inwood method	6,110 million yen	Adopted an appraisal by using adjusted Inwood method that net income based on real estate management for real estate leasing is multiplied by the compound annual interest rate based on the discount rate and a finite earnings period and is further calculated by adding or subtracting the present value of the removal cost, etc. of the building at the end of the earnings period.
Operating income	Not disclosed	(Note)
Effective gross income	Not disclosed	
Loss from vacancy	Not disclosed	
Operating expenses	Not disclosed	
Maintenance and management fee	Not disclosed	
Utility cost	Not disclosed	
Repair expenses	Not disclosed	
Property management fee	Not disclosed	
Leasing cost	Not disclosed	
Property tax	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
Net operating income	293 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	8 million yen	
Net income	286 million yen	
Discount rate of adjusted Inwood method	4.9 %	Estimated the base yield of the warehouse by build-up approach based on yields of financial products and assessed by taking into account specific risks related to the property, and besides comparison with transactions and prediction uncertainly within the operating period.
DCF method	5,960 million yen	
Discount rate	4.9 %	
Discount rate of the terminal value	5.1 %	The terminal capitalization rate is not adopted as it is assumed based on the fixed-term land lease agreement that it will return as a vacant site after the expiry of the lease term. The discount rate of the terminal value is indicated instead.
Indicated value based on cost approach	5,940 million yen	
Proportion of land	2.1 %	
Proportion of building	97.9 %	

Other matters that the appraisal firm considered upon conducting the appraisal	None
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(Note) Since the disclosure of this information may negatively affect IIF's competitiveness and work to the detriment of unitholders, we have decided not to disclose the information.

【Entire property after the Development Project】

Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	10,300 million yen
Appraisal value as of:	December 1, 2021

(Note) The figures are based on the appraisal report for the entire of the Existing Building and the New Building based on the plan for the Development Project.

Item	Value	Notes
Indicated value by income approach	10,300 million yen	
DC method	10,300 million yen	
Operating income	Not disclosed	(Note)
Effective gross income	Not disclosed	
Loss from vacancy	Not disclosed	
Operating expenses	Not disclosed	
Maintenance and management fee	Not disclosed	
Utility cost	Not disclosed	
Repair expenses	Not disclosed	
Property management fee	Not disclosed	
Leasing cost	Not disclosed	
Property tax	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
Net operating income	490 million yen	
Operating profit from lump-sum payments	1 million yen	
Capital expenditures	27 million yen	
Net income	464 million yen	
Capitalization rate	4.5 %	
DCF method	10,300 million yen	
Discount rate	4.6 %	
Terminal capitalization rate	4.7 %	
Indicated value based on cost approach	9,900 million yen	
Proportion of land	31.4 %	
Proportion of building	68.6 %	

Other matters that the appraisal firm considered upon conducting the appraisal	None
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(Note) Since the disclosure of this information may negatively affect IIF's competitiveness and work to the detriment of unitholders, we have decided not to disclose the information.

14. Various indices of Anticipated Acquisition (New Building)

NOI yield	5.5 %	NOI	293 million yen
NOI yield (after depreciation)	2.8 %	Depreciation	145 million yen

【Reference: Definitions of Individual Calculation Formulas】

Definitions of Individual Calculation Formulas regarding “NOI yield”, “NOI yield (after depreciation)” referred to in Note 3 on Page 1 “1. Summary of Anticipated Acquisition (New Building)”, in Note 3 on Page 8 “10. Amendment of the anticipated acquisition price of the Existing Building (planned)”, and in Note 5 on Page 9 “12. Effect of the Development Project” and “NOI yield”, “NOI yield (after depreciation)”, “NOI” and “Depreciation” referred to in “14. Various indices of Anticipated Acquisition (New Building)” above.

Each figure is calculated as follows.

NOI yield = NOI* / Anticipated acquisition price**

NOI yield after depreciation = (NOI - depreciation***) / Anticipated acquisition price

* With respect to the calculation of NOI, the NOI of the Existing Building is calculated based on the total net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the Existing Building as of August 1, 2021 and in the appraisal report for planned construction site for New Building as of August 1, 2021. The NOI of the New Building is calculated based on the net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the New Building based on the plan for the Development Project as of December 1, 2021. The NOI of the property after acquisition of the New Building is calculated based on the net operating income for the first fiscal year under the DCF method indicated in the appraisal report for the entire of the Existing Building and the New Building based on the plan for the Development Project as of December 1, 2021.

** Anticipated acquisition price of the Existing Building is the sales value of the trust beneficiary right (excluding acquisition-related costs, fixed asset tax, urban planning tax and consumption tax) set forth in the amendment agreement for the Existing Building which is scheduled to be concluded on December 13, 2021. Anticipated acquisition price of the New Building is the sales value of the trust beneficiary right (excluding acquisition-related costs, fixed asset tax, urban planning tax and consumption tax) set forth in the purchase agreement for the New Building which is scheduled to be concluded on December 13, 2021. Anticipated acquisition price of the property after acquisition of the New Building is a reference figure of totaling the anticipated acquisition price of the Existing Building and that of the New Building. The actual acquisition price of the New Building may change in the future due to changes in the content of plan for the Development Project and thus the NOI yield and the NOI yield after depreciation of the New Building and the property after acquisition of the New Building may change in the future.

*** Each depreciation is estimate as of today calculated by using the depreciation rates under the straight-line method, which is the same method as IIF's owned assets, in proportion to the useful life for the Existing Building, the New Building and the property after acquisition of the New Building, respectively.

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/>

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