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To all concerned parties:

Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 3249)

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Notice Concerning IIF Hamura Logistics Center Redevelopment Project

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today that Mitsubishi Corp.–UBS Realty Inc., IIF’s asset manager (the “Asset Manager”), has decided to carry out a redevelopment project (the “Redevelopment Project”) for IIF Hamura Logistics Center (the “Property”) , which is owned by IIF, and concluded the fixed-term building lease reservation contract related to the Redevelopment Project today.

1. Reasons for the Redevelopment Project

IIF is committed to improving profitability through redevelopment to maximize the value of properties, in addition to tenant replacement. In order to establish a long-term stable revenue foundation and improve competitiveness of the Property, after securing the tenant after redevelopment, IIF is going to demolish the Property, newly construct a logistics facility (the "Property After Redevelopment") on the premises of the Property and acquire it.

Key Points

- 1. Value-up of logistics facility over 30 years old through redevelopment in time with cancellation of current lease contract**
- 2. Significant improvement of NOI and appraisal value (unrealized gain) by utilization of surplus floor-area ratio**
- 3. Redevelopment after concluding a long fixed-term building lease reservation contract with successive tenant (Contract term: 10 years)**

■ Images of the Property After Redevelopment



※Those are rendering images prepared on the assumption that the building is scheduled to be completed, and may differ from the actual building. The same shall apply hereafter.

■ Background to the Redevelopment Project

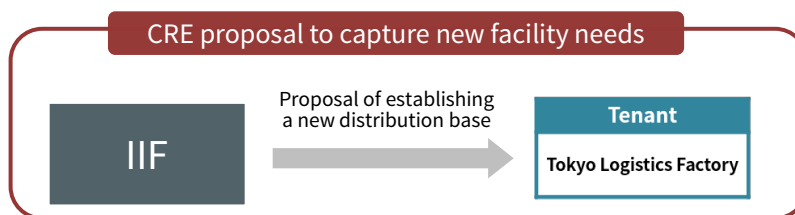
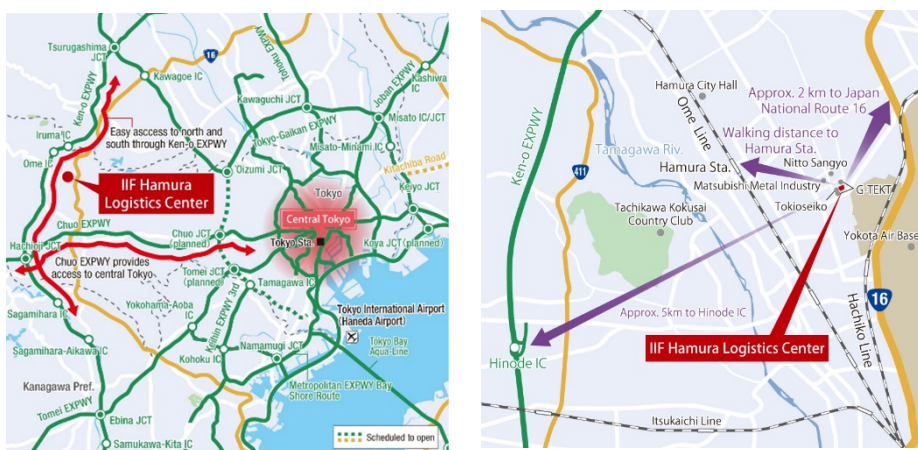
Since the acquisition of the Property in December 2016, we have continued to operate the Property in a stable manner as the main logistics base for the western Tokyo area of current tenant, Coca-Cola Bottlers Japan Inc. (the "Current Tenant"). However, in response to an application for cancellation from the Current Tenant in order to consolidate logistics bases in Tokyo and surrounding area of the Current Tenant, we have considered the operation of the Property after leaving of the Current Tenant.

The Property is located on approximately 2 km from National Route 16 and approximately 5 km from Hinode IC on Ken-O Expressway, providing excellent access to central Tokyo and the greater Kanto region, and in prime location that 24 hours operation is available in industrial exclusive area with cluster of logistics facilities and plants. On the other hand, as building age is over 30 years old, renovation work for electric facilities may be required in order to attract new tenant. The surplus floor- area ratio to cap floor-area ratio is also large (the current floor area ratio of about 60% compared to the cap floor-area ratio of 200%). Therefore, we have carefully considered several operational options such as redevelopment, etc. in addition to replacement of tenant based on keeping existing facility.

Moreover, in considering above, we captured the needs for establishing a new distribution base in the western Tokyo area of Tokyo Logistics Factory Co., Ltd. (the "Tenant"), the existing tenant of other IIF's properties, and have carefully examined about economics of redevelopment in collaboration with the Tenant, the various risks related to redevelopment and the impact of temporary expenses and downtime on the profit and loss of the portfolio during the redevelopment period.

As a result, we have judged that carrying out redevelopment on balance of IIF after concluding the fixed-term building lease reservation contract (the "Contract") for 10 years with the Tenant concerning the Property After Redevelopment and building a versatile and latest logistics facility with expanded total floor area would maximize unitholder's value. Therefore, we concluded the Contract for 10 years with the Tenant concerning the Property After Redevelopment dated today and decided to carry out the Redevelopment Project.

This is the second redevelopment project on balance of IIF following IIF Atsugi Logistics Center III.



■ Effects of the Redevelopment Project

The following effects are expected as a result of the Project.

	Before redevelopment	After redevelopment
Total floor area ^(Note1)	3,892.66㎡	13,823.22㎡
Floor area ratio ^(Note1) (current/cap)	60.4% / 200%	199.4% / 200%
(Anticipated) Acquisition price ^(Note2)	JPY 820 mn.	JPY 2,509 mn.
Appraisal value (Survey value) ^(Note3)	JPY 704 mn.	JPY 3,420 mn. (JPY +2,716mn.)
Unrealized gain/loss (Gain/loss ratio) ^(Note4)	JPY - 220 mn. (-23.9%)	JPY 910 mn. (+36.3%)
Annual NOI ^(Note5)	JPY 41 mn.	JPY 141 mn. (JPY +99 mn.)
NOI yield/ NOI yield after depreciation ^(Note6) (After adjustment by optimal payable distribution)	5.1% / 3.9%	5.6% / 3.0% (3.8%)
Contract term (Remaining term)	5.7 years (0.3 year) (Fixed-term building lease contract)	10.0 years (Fixed-term building lease reservation contract)

(Note 1) The figures for "total floor area" and "floor area ratio" after redevelopment are shown for reference based on the current plan for the Redevelopment Project. The actual figures for "total floor area" and "floor area ratio" after redevelopment may change in the future due to changes of the plan for the Redevelopment Project. The same shall apply hereafter.

(Note 2) The figure for "(anticipated) acquisition price" after redevelopment is reference value by totaling anticipated acquisition price of the Property After Redevelopment (the total of construction costs, design fee, and construction management fees) and the price of land already acquired (the acquisition price of the land described in the trust beneficiary right purchase and sale agreement for the Property at the time of the acquisition in 2016). As the construction contract regarding to the Property After Redevelopment has not been concluded as of today, construction costs, design fee, and construction management fees are reference value based on the estimation and will be announced again after the conclusion of the construction contract regarding to the Property After Redevelopment. Accordingly, the actual acquisition price of the Property After Redevelopment may change in the future due to changes of the plan for the Redevelopment Project. The same shall apply hereafter.

(Note 3) The figure for "appraisal value (survey value)" before redevelopment is the survey value based on the survey report as of January 31, 2022. The figure for "appraisal value (survey value)" of the Property After Redevelopment is the survey value based on the survey report based on the plans for the Redevelopment Project as of March 1, 2022. For more details of survey reports, please refer to the below; "4. Summary of Survey Report (After the Redevelopment Project)". The same shall apply hereafter.

(Note 4) The figure for "unrealized gain/loss" before redevelopment is the difference between the survey value based on the survey report as of January 31, 2022 and the book value as of January 31, 2022. The figure for "Unrealized gain/loss" of the Property After Redevelopment is the difference between the survey value based on the survey report on the plans for the Redevelopment Project as of March 1, 2022 and the anticipated acquisition price. The same shall apply hereafter.

(Note 5) The figure for "Annual NOI" before redevelopment is the net operating income in the direct capitalization method indicated in the survey report as of January 31, 2022. The figure for "Annual NOI" of the Property After Redevelopment is the net operating income in the direct capitalization method indicated in the survey report on the plan for the Redevelopment Project as of March 1, 2022. The figure for "Annual NOI" of the Property After Redevelopment is the estimated value after the completion of the Property After Redevelopment based on the plan for the Redevelopment Project, and there is no guarantee that it will be realized and the actual annual NOI after redevelopment may change in the future due to changes of the plan for the Redevelopment Project. The same shall apply hereafter.

(Note 6) $\text{NOI yield} = \text{Annual NOI} / (\text{Anticipated}) \text{ acquisition price}$
 $\text{NOI yield after depreciation} = \text{Annual NOI after depreciation}^* / (\text{Anticipated}) \text{ acquisition price}$

NOI yield after depreciation (after adjustment by optimal payable distribution**) = (Annual NOI after depreciation + depreciation (annual) of Property After Redevelopment × 30%) / (Anticipated) acquisition price

*Annual NOI after depreciation= Annual NOI-depreciation (annual)

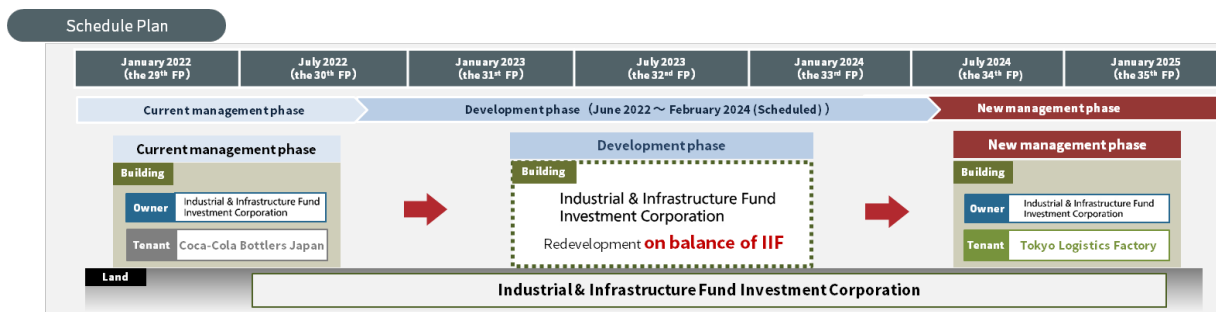
Depreciation before redevelopment is calculated using the total actual depreciation for the 28th fiscal period ended July 31, 2021 and the 29th fiscal period ended January 31, 2022 of the Property. Depreciation of the Property After Redevelopment is an estimate calculated by using the depreciation rates under the straight-line method in proportion to the useful life for the Property After Redevelopment. The same shall apply hereafter.

** 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. The same shall apply hereafter.

■ The Scheme and the Schedule of Redevelopment Project (scheduled)

IIF and the “Tenant” concluded a fixed-term building lease reservation contract relating to the Property After Redevelopment after completion of the Redevelopment Project dated today. In addition, Suzuyo Construction Co., Ltd. ("Suzuyo Construction") is scheduled to be employed as a designer and a contractor in the Redevelopment Project. Suzuyo Construction is a group company of Suzuyo & Co., Ltd., the lessee of the IIF Nishinomiya Logistics Center, and was employed as a designer and a contractor for the IIF Nishinomiya Logistics Center Expansion Project completed in May 2016 and IIF Atsugi Logistics Center III Expansion Project scheduled to be completed in September 2023. IIF will promote the Redevelopment Project by utilizing professional and abundant knowledge of Suzuyo Construction about operations of logistics and various know-how in development of logistics facility.

Conclusion of fixed-term building lease reservation contract	March 9, 2022
Basic design and detailed design	From March 2022 to June 2022 (scheduled)
Conclusion of construction contract	August 2022 (scheduled)
Application for building certification	August 2022 (scheduled)
Demolition term	From June 2022 to November 2022 (scheduled)
Construction term	From February 2023 to February 2024 (scheduled)
Start of newly operation	March 2024 (scheduled)



2. Information about the Property

		Before the Redevelopment Project	After the Redevelopment Project
Property name		IIF Hamura Logistics Center	
Type of asset		Trust beneficiary right in real estate	
Location		8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo, Japan	
Acquisition date		December 22, 2016	<Land> December 22, 2016 <The Property After Development> February 29, 2024 ^(Note 1)
Acquisition price		820 million yen	2,509 million yen (Anticipated)
Appraisal value (Survey value)		704 million yen (As of January 31, 2022)	3,420 million yen (As of March 1, 2022)
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.	
Land	Land area	6,932.37 m ²	
	Zoning	Industrial exclusive area	
	Type of possession	Ownership	
Building	Building structure/ stories	< Main building > 2-storied, steel-frame structure with flat, galvanized steel-plate roof < Attached building > Single-story, steel-frame structure with galvanized steel-plate roof	4-storied steel-framed building ^(Note 2)
	Construction completion	July 31, 1991	February 29, 2024 ^(Note 2)
	Total floor area	3,892.66m ²	13,823.22m ² ^(Note 2)
	Current floor area ratio(cap) / Current building-to- land ratio(cap)	60.4% (200%) / 45.4% (60%)	199.4% ^(Note 2) (200%) / 66.4% ^(Note 2) (70%) ^(Note 3)
	Type of possession	Ownership	
	Use	< Main building > Warehouse < Attached building > Garbage storage, cylinder storage	Warehouse ^(Note 2)
	Earthquake PML	4.2%	- ^(Note 4)
Collateral conditions		None	
Special notes		An asbestos survey conducted by ERM Japan Ltd. confirmed the presence of asbestos (Level 3) in some exterior wall finish coat materials and interior building materials. ERM Japan reported, however, that no deterioration has currently occurred. IIF has recorded expenses for removal of the asbestos (approximately 83 million yen) as asset retirement obligations since the December 2016 (19th) fiscal period.	
Designer		SHIMIZU CORPORATION First-class Architect Office	Suzuyo Construction Co., Ltd. (Planned)
Contractor		SHIMIZU CORPORATION	Suzuyo Construction Co., Ltd. (Planned)

(Note 1) "Acquisition date" after the Redevelopment Project is the scheduled date of completion and delivery as of today. It may change depending on the progress of the Redevelopment Project in the future.

(Note 2) "Building structure / stories", "Construction completion", "Total floor area", "Floor area ratio / building-to-land ratio" and "Use" of the Property After Redevelopment are described based on the basic design as of today.

(Note 3) "Building-to-land ratio" after the Redevelopment Project will be eased to 70% as the building after the Redevelopment Project will be a fire-resistant building in a quasi-fire prevention district though the original ratio of land is 60%.

(Note 4) "Earthquake PML" of the Property After Redevelopment is not described because it is difficult to calculate it as of today.

3. Details of the fixed-term building lease contract

Tenant	Tokyo Logistics Factory Co., Ltd.
Property	IIF Hamura Logistics Center
Leased floor area ^(Note 1)	12,949.26 m ²
Ratio of leased floor area to leasable floor area in the Property After Redevelopment	100%
Revenue ^(Note 2)	Not disclosed
Security deposit ^(Note 2)	Not disclosed
Conclusion date of fixed-term building lease reservation contract	March 9, 2022
Contract type ^(Note 1)	Fixed-term building lease contract
Contract term ^(Note 1)	10 years from delivery date
Rent revision ^(Note 1)	During the contract term, the rent shall not be revised for any reason whatsoever, and the provisions of Article 32 of Act on Land and Building Leases shall not apply.
Cancellation ^(Note 1)	The Lessee shall be entitled to terminate the contract only if the Lessor is notified in writing at least six months prior to the date of termination, and the amount equivalent to the total rent for the period from the date of such termination to the last day of the lease 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 as of the date of such termination. Provided, however, that in the event the Lessee introduces an alternate lessee, and the Lessor concludes a lease contract with the alternate lessee in which the amount of the rent, the amount of the security deposit, and other terms and conditions are the same as those of the Contract, and the lease of the Property After Redevelopment continues, the Lessor shall immediately return the entire amount of the security deposit to the Lessee and shall not claim the amount equivalent to the penalty and the rent for the remaining term. The Lessee shall not be entitled to terminate the Contract during the contract term except in the above cases.

(Note 1) "Leased floor area", "Contract type", "Contract term", "Rent revision" and "Cancellation" are planned contract terms as of today based on the fixed-term building lease reservation contract.

(Note 2) Consent has not been obtained from the tenant, and accordingly, "Revenue" and "Security deposit" are not disclosed. With respect to "Revenue", the annual rent is to be calculated on the basis of the total construction costs ultimately determined for the Property After Redevelopment with accordance to the rent calculation formula determined separately, and the monthly rent is calculated by dividing the annual rent by 12. In addition, when property taxes, city planning taxes and depreciable property taxes are finalized, monthly rents are to be revised in accordance with the same rent calculation formula.

4. Summary of Survey Report (After the Redevelopment Project)

Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Survey value	3,420 million yen
Survey value as of:	March 1, 2022

Item	Value	Notes
Indicated value based on income approach	3,420 million yen	
DC method	3,500 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	141 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	5 million yen	
Net income	136 million yen	
Capitalization rate	3.9%	
DCF method	3,380 million yen	
Discount rate	3.8% (Until 10th year) 4.0% (11th year)	
Terminal capitalization rate	4.1%	
Indicated Value based on cost approach	3,250 million yen	
Portion of Land	35.7%	
Portion of Building	64.3%	

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

5. The impacts of the Redevelopment Project on IIF's operating status

(1) Temporary costs such as demolition cost, etc.

With the start of the Redevelopment Project, the useful life for the Property has been revised in accordance with the "Accounting Standard for Accounting Changes and Error Corrections". As a result, depreciation for accounting is expected to increase by approximately 213 million yen in the fiscal period ending July 2022 (the 30th fiscal period). On the other hand, the maximum amount of depreciation for tax is calculated based on the useful life which has been applied previously.

Therefore, there will be taxable income in excess of accounting income caused by the Redevelopment Project for the fiscal period ending July 2022 (the 30th fiscal period). On the other hand, as taxable income in excess of accounting income by exceeding of depreciation of IIF Atsugi Logistic Center III (IIF Atsugi LC III) recorded in the fiscal period ended July 2021 (the 28th fiscal period) and the fiscal period ended January 2022 (the 29th fiscal period) will be abolished due to the completion of demolish work regarding existing building of IIF Atsugi LC III, etc., taxable income will be less than accounting income and there will not be taxable income in excess of accounting income as a whole. As a result, reversal of distribution in excess of profits (allowance for temporary difference adjustments ("ATA")) in the fiscal period ending July 2022 (the 30th fiscal period) will be equivalent to the amount calculated by deducting the amount of taxable income in excess of accounting income caused by the Redevelopment Project from reversal amount of ATA caused by abolition of taxable income in excess of accounting income of IIF Atsugi LC III.

Furthermore, the demolition cost associated with the Redevelopment Project is expected to be approximately 150 million yen (including expenses for removal of the asbestos^(Note)) for the fiscal period ending January 2023 (the 31st fiscal period) and the abolition of the above-mentioned taxable income in excess of accounting income caused by the Redevelopment Project is expected to cause the reversal of ATA in the fiscal period ending January 2023 (the 31st fiscal period) when the demolish work of the property will be completed. Therefore, we plan to implement a temporary distribution in excess profits for the total amount approximately 307 million yen, which is the sum of the amount of demolition cost less expenses for removal of the asbestos and the amount of the above-mentioned reversal of the ATA.

Please refer to the " Notice Concerning Partial Amendment of Internal Rules (Asset Management Plan) of IIF's Asset Manager " announced on March 12, 2021 regarding the distribution policy for temporary distribution in excess of profits.

(Note) IIF has recorded asset retirement obligations related to expenses for removal of the asbestos since the fiscal period ended December 2016 (the 19th fiscal period). However, as the asset retirement obligations will be reversed for removal of the asbestos, they will be offset by demolition cost on accounting.

(2) Decrease in rent revenue during the construction term

From June 2022, the contract with the Current Tenant will have been terminated, rent revenue will not be incurred until the construction work is completed and the new fixed-term building lease contract is started. However, we plan to stabilize distribution by implementing temporary distribution in excess of profits equivalent to amount of the level of operating income of the Property prior to the construction.

(Reference: rent net operating income of the Property for the fiscal period ended January 31, 2022 (the 29th fiscal period): 17 million yen)

(3) Construction of new building

Construction cost (excluding demolition cost) for the Redevelopment Project is expected to be approximately 1,836 million yen (excluding tax) in total as of today. IIF may pay the construction cost not only in cash on hand but also in financing such as new issuance of investment units and debt. In case of payment through new finance, we will announce again when the amount, date, and method of the finance are determined.

(4) Impact on operating status and outlook

The impact of the Redevelopment Project on IIF's operating status for the period ending July 2022 (the 30th fiscal period: February 1, 2022 to July 31, 2022) is not material and the forecast of operating status for the same period remains unchanged. In addition, there will be no rent net operating income from the start to the completion of the construction (from June 1, 2022 to February 29, 2024 (Scheduled)), however, we plan to stabilize distribution by implementing temporary distribution in excess of profits equivalent to amount of the level of operating income of the Property prior to the construction. IIF has concluded a fixed-term building lease reservation contract with the Tenant for the Property After Redevelopment and rent revenue is expected to be incurred after March 1, 2024 (scheduled) as described below. Furthermore, IIF is considering the implementation of optimal payable distribution up to 30% of the depreciation of the Property After Redevelopment after the completion of the Redevelopment Project with the aim of maximizing unitholder's value on the premise of approval changes in the Articles of Incorporation of IIF at the general meeting of unitholders to be held in the future. 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.

NOI (Annual)	141 million yen
NOI yield	5.6%
NOI yield after depreciation (after adjustment by optimal payable distribution)	3.0% (3.8%)

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.