

Industrial & Infrastructure Fund Investment Corporation

July 20, 2022

To all concerned parties:

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

KJR Management

Representative: Naoki Suzuki,
President & Representative Director

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Notice Concerning Disposition of One Property in Japan

【IIF Inzai Logistics Center】

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today that KJR Management, IIF’s asset manager (the “Asset Manager”), decided to dispose (the “Anticipated Disposition”) trust beneficiary rights in real estate (the “Property to be disposed” or the “Property”) as outlined below.

1. Summary of the Anticipated Disposition

Property name	Type of asset	Disposition price (Note 1) (million yen)	Book value (Note 2) (million yen)	Difference between disposition price and book value (Note 3) (million yen)	Appraisal value (survey price) (million yen)	Contract signing date (scheduled)	Delivery date (scheduled)	Buyer
IIF Inzai Logistics Center	Trust beneficiary right in real estate	1,925	1,001	923	1,480	July 20, 2022	July 27, 2022	Japanese Operating Company (Not disclosed) (Note 4)

(Note 1) The disposition price excludes expenses related to the disposition.

(Note 2) The book value is as of January 31, 2022.

(Note 3) The difference between disposition price and book value is shown for reference. The actual gain on sale is different from that value.

(Note 4) The buyer’s profile cannot be disclosed as we have not obtained consent from the buyer with respect to disclosure. For the details, please refer to the following “4. Profile of Buyer”.

2. Reasons for Disposition

Taking advantage of the active real estate market, IIF has decided to dispose at a price significantly higher than its book value and appraisal value from the viewpoint of improving portfolio stability and stabilizing the level of distribution per unit by utilizing the gain on sale. The Property has been under management since its acquisition in February 2014. However, after careful consideration of the mid-term management policy, we assess that risk of lower earnings in the future is high, and determine that the sale at the current time, when the real estate transaction market is active, will contribute to improving unitholder's value.

The entire amount of gain on sale from the disposition will be allocated to a portion of the temporary distribution in excess of profits (distribution in reduction of capital contribution under the tax law) scheduled to be made in the fiscal period ending July 31, 2022 (30th fiscal period). In addition, the proceed from the disposition of the property and the cash on hands that will increase as a result of not making the initially planned temporary distribution in excess of profits will be used for various measures to improve unitholder's value, including future property acquisitions and stabilization of distributions.

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3. Information about Property to be disposed

Property name		IIF Inzai Logistics Center				
Type of asset		Trust beneficiary right in real estate				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Location		2-6-1, Matsuzakidai, Inzai City, Chiba				
Acquisition date		February 7, 2014				
Acquisition price		1,060 million yen				
Book value		1,001 million yen (As of January 31, 2022)				
Land	Land area	9,799.60 m ²				
	Zoning	Semi-industrial area				
	Floor area ratio/ building-to-land ratio	200% /60%				
	Type of possession	Ownership				
Building	Building structure/ stories	Main Building:1-story above ground: steel-framed with galvanized alloy steel sheet roof Attached Building:2-story above ground: steel-framed with galvanized alloy steel sheet roof				
	Construction completion	February 28,2007				
	Total floor area	Main Building: 5,154.00 m ² Attached Building: 333.75 m ²				
	Type of possession	Ownership				
	Use	Main Building: Warehouse Attached Building: Office				
	Earthquake PML	4.7%				
Tenant summary	Tenant (Number of tenants)	SAN LOGISTICS CO., LTD. (One company)				
	Total rental business revenue(annual)	Not disclosed ^(Note)				
	Security deposit	Not disclosed ^(Note)				
	Total leased area	5,490.00 m ²				
	Total leasable area	5,490.00m ²				
	Occupancy rate (Based on leased area)	July 31, 2020	January 31, 2021	July 31, 2021	January 31, 2022	Current date
	100%	100%	100%	100%	100%	
Collateral conditions		None				
Special notes		None				

(Note) This is not disclosed as we have not obtained the tenant's consent for disclosure.

4. Profile of Buyer

The buyer of the Property is a Japanese operating company, but the buyer's profile cannot be disclosed as we have not obtained consent from the buyer with respect to disclosure. There are no notable capital, personal or business relationships between IIF / the Asset Manager and the buyer, 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 buyer. None of the buyer, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

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5. Profile of Broker

The broker is a domestic operating company, the broker's profile cannot be disclosed as we have not obtained consent from the broker with respect to disclosure. There are no notable capital, personal or business relationships between IIF / the Asset Manager and the broker, 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 broker. None of the broker, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

6. Means of Payment

The settlement will be conducted by a lump sum on the scheduled date of delivery.

7. Scheduled Date of Disposition

	IIF Inzai Logistics Center
Contract signing date (scheduled)	July 20, 2022
Payment date (scheduled)	July 27, 2022
Delivery date (scheduled)	July 27, 2022

8. Future Outlook of IIF

Please refer to the "Notice Concerning Revision of Forecast of Operating Results and Distributions for the July 2022 (30th) Fiscal Period and the January 2023 (31st) Fiscal Period" announced today for the forecast of IIF's operating performance for the 30th fiscal period ending in July 2022 (February 1, 2022 – July 31, 2022) and the 31st fiscal period ending in January 2023 (August 1, 2022 – January 31, 2023), taking into account the deposition of the Property.

9. Summary of Appraisal Report

【IIF Inzai Logistics Center】

Appraiser	CBRE K.K
Survey price	1,480 million yen
Survey price as of:	January 31, 2022

Item	Value	Notes
Indicated value by income approach	1,480 million yen	
DC method	1,500 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	76 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	3 million yen	
Net income	73 million yen	
Capitalization rate	4.9%	
DCF method	1,480 million yen	
Discount rate	4.7%	
Terminal capitalization rate	5.0%	

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

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 KJR Management., asset manager for Industrial & Infrastructure Fund Investment Corporation.

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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.