

Industrial & Infrastructure Fund Investment Corporation

December 21, 2022

To all concerned parties:

Investment Corporation
Industrial & Infrastructure Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 3249)
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Notice Concerning Acquisition of Shares in the Management Company of IIF Shonan Health Innovation Park

Industrial & Infrastructure Fund Investment Corporation ("IIF") announces today that KJR Management, IIF's asset manager (the "Asset Manager"), decided the acquisition (the "Acquisition") of the shares (the "Shares") in "iPi Business Preparation Company" (the "Management Company")^(Note), which is scheduled to be the management company of IIF Shonan Health Innovation Park (the "Property"), held by Takeda Pharmaceutical Company Limited ("Takeda").

(Note) The name of the Management Company is scheduled to be changed upon the Acquisition, but the name after the change has not been determined as of the date of this press release. The same applies hereinafter.

1. Summary of the Acquisition

Name	Number of shares to be acquired (shares) (Shareholding ratio)	Seller	Anticipated acquisition price (Note1) (thousand yen)	Anticipated acquisition date (Note2)
Common stock of iPi Business Preparation Company	41,000 (41.0%)	Takeda Pharmaceutical Company Limited Corporation	348,500	April 1, 2023

(Note1) "Anticipated acquisition price" is the sale and purchase price of the shares (excluding consumption tax, local consumption tax, sales commissions, and other expenses) as stated in the share transfer agreement. The same applies hereafter.

(Note2) Delivery of the Shares and payment for the Acquisition are scheduled on April 3, 2023, but if such delivery and payment are made by the date above, the Acquisition will become effective retroactively as of April 1, 2023. For this reason, the scheduled acquisition date is stated as April 1, 2023. The same applies hereafter.

2. Reason for Acquisition

Since acquiring the Property, one of Takeda's largest R&D facilities in Japan, through a CRE proposal (sales and leaseback), IIF has been considering the establishment of a new management structure from a mid-to-long term perspective. The decision to shift to a new operating structure centered on the Management Company and to acquire shares in the Management Company was hereby made with the aim of planning to further develop the facility with the mission of "Establish a life science ecosystem open to the world", strengthen the operational structure (business and innovation creation, operational management, and participation in urban development), plan collaboration with over 150 companies in the pharmaceutical, next-generation medical, and startup industries, etc., and secure highly experienced personnel with advanced knowledge of life science parks management. As a result, the management structure will be shifted from the current management structure managed by Takeda to a new management structure managed by the Management Company, whose major shareholders are IIF, Takeda, and Mitsubishi

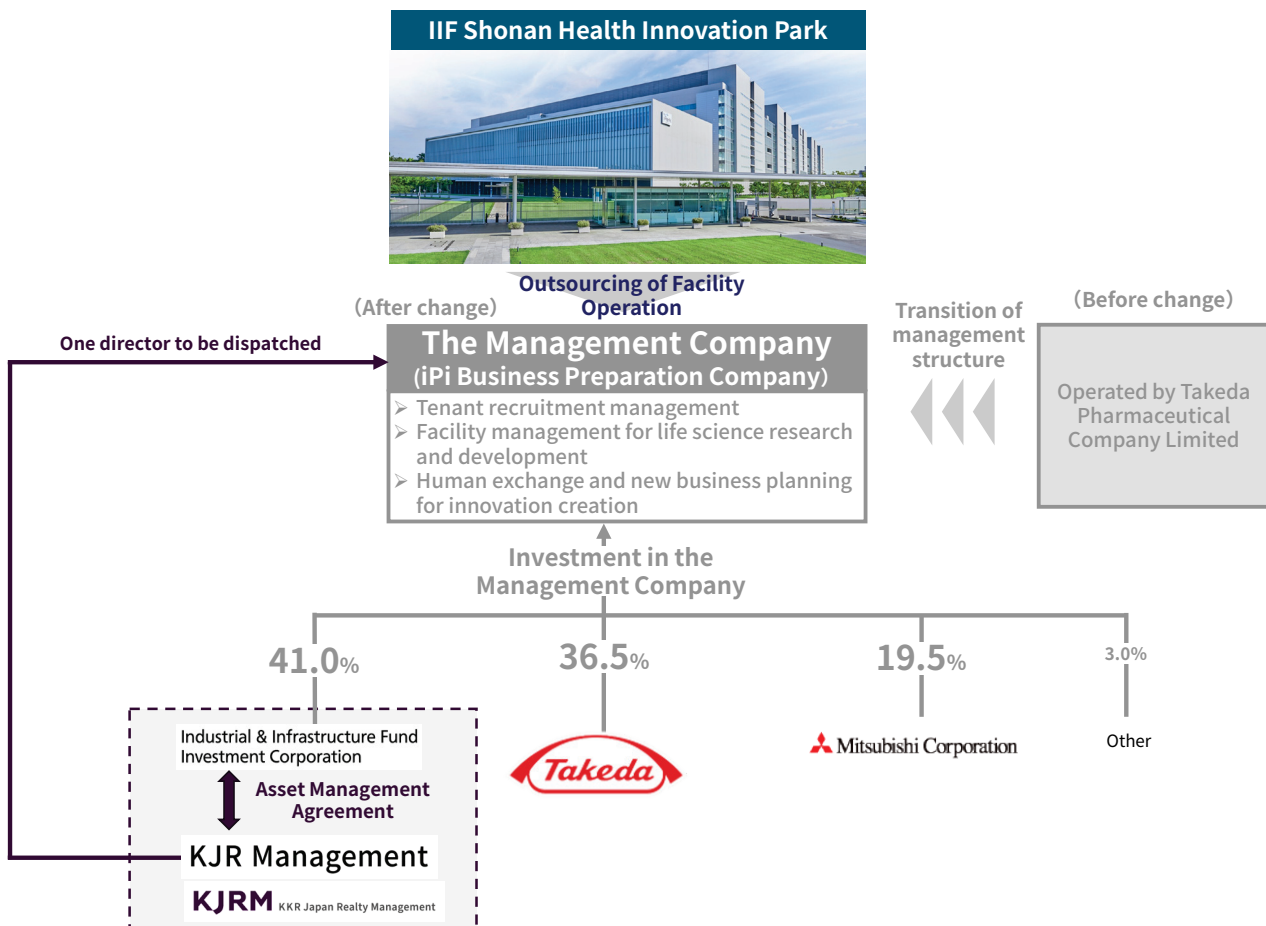
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Corporation. In addition, more than 30 staff members from Takeda, who have extensive experience in the operation and leasing of life science parks and are well versed in the pharmaceutical and drug discovery business, including Dr. Toshio Fujimoto^(Note), who has supervised and managed this facility since the open of facility to the outside in April 2018, will be transferred to the Management Company.

(Note) Please refer to “4. Representative profile of the Management Company” for Toshio Fujimoto's biography.

Furthermore, through this initiative, the collaboration with Takeda and Mitsubishi Corporation, which has been involved since November 2019 in the Property as part of its membership, and has actively studied and explored various measures to promote engagement with business in the healthcare, drug discovery support, and biological related businesses, and engaged in complex urban development activities as part of the redevelopment plan for the surrounding area, will be further strengthened, which is expected to enhance the efficiency of the management, support start-ups, and collaborate with the local community, and further enhance the property's scarcity and asset value, as well as contribute to the profitability and stability of the Property. Moreover, the Asset Manager plans to dispatch a director with expertise in real estate management to the Management Company. By strengthening governance and integrating the global expertise of the sponsor, KKR Group, the further contributions to the development of the Life Science Park is expected. Please also refer to the Attachment at the end of this press release for the purpose and background of the change in the Property's management structure.

<Reference: Capital relationship diagram of the Management Company (as of April 1, 2023 (scheduled))>



(Note) In principle, the transfer of the Management Company's shares is prohibited until the end of September 2030. However, in the event that IIF transfers the property to a third party, even during the transfer prohibition period, IIF may transfer the Management Company's shares to the third party with the consent from the other shareholders, provided that such consent shall not be unreasonably withheld or refused.

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3. Summary of the Management Company

Name	iPi Business Preparation Company	
Location	2-26-1 Muraoka Higashi, Fujisawa City, Kanagawa	
Title and Name of Representative	Toshio Fujimoto, Chief Executive Officer	
Business	1. Tenant recruiting business 2. Tenant management business 3. Research facility operation business 4. Business to plan new projects and events for innovation creation 5. Projects to support collaboration in research and development related to life sciences 6. Businesses to contribute to the development of the life science ecosystem 7. Businesses to contribute to the network creation for technological and human interactions 8. Businesses incidental and related to the above	
Capital	10 million yen (as of December 21, 2022)	
Date Established	December 16, 2022	
Net Assets	Not disclosed ^(Note)	
Total Assets	Not disclosed ^(Note)	
Major Shareholders and Shareholding Ratio	Takeda Pharmaceutical Company Limited	100.0%
Relationship with IIF, the Asset Manager and the Management Company		
Capital Relationship	IIF plans to acquire 41,000 shares of common stock of the Management Company (shareholding ratio of 41.0%). Except for the above, there is no capital relationship between IIF / the Asset Manager and the Management Company. In addition, as of today, there is no capital relationship between affiliated persons or affiliated companies of the IIF/Asset Manager and those of the Management Company.	
Personal Relations	As of today, there is no personal relationship to note between IIF / the Asset Manager and the Management Company.	
Business Relations	As of today, there is no business relationship to note between IIF / the Asset Manager and the Management Company.	
Related Parties Relationship	As of today, the relevant company does not fall under the category of a related party of IIF / the Asset Manager. In addition, none of the related parties and affiliated companies of the Management Company fall under the category of the related parties of IIF / the Asset Manager.	

(Note) Not disclosed as consent has not been obtained from the Management Company.

4. Representative profile of the Management Company

As of December 21, 2022

Name	Biography
Toshio Fujimoto	<p>Graduated from Kyoto University Faculty of Medicine in 1994. Received MBA from Kobe University Graduate School of Business Administration in 2009.</p> <p>After working, the Department of Respiratory Surgery at Kyoto University and its affiliated hospitals, he worked as a thoracic surgeon in several countries including Europe and the United States.</p> <p>From 2006 to 2017, he served as the Executive Officer, the General Manager of Research and Development Division, in charge of Research and Development Division, and the Executive Vice President at Eli Lilly Japan K.K.</p> <p>In December 2017, he was appointed the General Manager of Takeda Pharmaceutical Company Limited's Shonan Health Innovation Park, and also serves as its GCA Global Public Affairs Head from January 2021. He is responsible for the overall management of the Property (business promotion and execution, corporate planning, business unit management, tenant and business partner attraction and management, and public relations), and focuses on the formation and expansion of the drug discovery ecosystem.</p>

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5. Profile of Seller

Name	Takeda Pharmaceutical Company Limited	
Location	1-1, Doshomachi 4-chome, Chuo-ku, Osaka	
Name and Title of Representatives	Representative Director, President and CEO Christoph Weber	
Business	Research and development, manufacture, sale, import and export of pharmaceuticals and other products	
Capital	1,676.2 billion yen (as of March 31, 2022)	
Date Established	January 12, 1925	
Net assets	5,683.5 billion yen (as of March 31, 2022)	
Total assets	13,178.0 billion yen (as of March 31, 2022)	
Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.91%
	The Custody Bank of Japan, Ltd. (Trust Account)	5.12%
	THE BANK OF NEWYORK MELON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (Standing proxy: Sumitomo Mitsui Banking Corporation)	3.71%
	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.04%
	STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1.83%
	JP Morgan Securities Japan Co.	1.55%
	JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1.27%
	Takeda Science Foundation	1.15%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Business Department)	1.09%
STATE STREET BANK AND TRUST COMPANY 505225 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1.03%	
Relationship with IIF, the Asset Manager and the Seller		
Capital Relationship	There is no capital relationship to note between IIF / the Asset Manager and the Seller. In addition, there is no capital relationship between interested parties and affiliated companies of IIF / the Asset Manager and those of the Seller.	
Personal Relations	As of today, there is no personal relationship to note between IIF / the Asset Manager and the Seller.	
Business Relations	As of today, there is no business relationship to note between IIF / the Asset Manager and the Seller.	
Related Parties Relationship	As of today, the Seller does not fall under the category of a related party of IIF / the Asset manager. In addition, none of the related parties and affiliated companies of the Seller fall under the category of the related parties of IIF / the Asset Manager.	

6. Broker

None

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7. Matters relating to Forward Commitment Contract

The acquisition constitutes a forward commitment, etc., as IIF plans to make payment for the Shares on April 3, 2023. However, in light of the amount of cash on hand held by the IIF and the financial condition of the IIF, the IIF believes that the share acquisition agreement for the Acquisition is unlikely to have a material impact on the IIF's finances, etc.

8. Summary of the Third-Party Valuation Report for the Acquired Shares

(1) Valuation company: Plutus Consulting Inc.

(2) Valuation^(Note): 11,400 yen/share (Acquisition price: 8,500 yen/share)

(Note) "Appraisal value" is the amount per share based on the midpoint of the appraisal value (upper limit of 1,341 million yen and lower limit of 939 million yen) using the DCF method described in the stock evaluation report.

9. Means of Payment

The funds for this acquisition are to be provided by cash on hand.

10. Date of Acquisition

Acquisition decision date	Contract signing date	Delivery date (scheduled)	Payment date (scheduled)
December 21, 2022	December 21, 2022	April 1, 2023	April 3, 2023

11. Future Outlook of IIF

The anticipated acquisition has no material impact on the forecasts of IIF's operating status for the fiscal period ending January 2023 (the 31st fiscal period: August 1, 2022 to January 31, 2023) and the fiscal period ending July 2023 (the 32nd fiscal period: February 1, 2023 to July 31, 2023), and thus the forecasts of operating status for the same period remain unchanged.

12. Others

Regarding this matter, the Asset Manager will follow procedures required under the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act and other applicable laws and regulations.

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.

This document is a translation of a press release issued by Shonan iPark, Takeda, IIF and Mitsubishi Corp. on December 21, 2022, which has been translated into English for reference purposes only. The official language of this document is Japanese, and the Japanese language shall be primary in its content and interpretation.



Industrial & Infrastructure Fund
Investment Corporation



Press Release

December 21, 2022

Shonan Health Innovation Park
Takeda Pharmaceutical Company Limited
Industrial & Infrastructure Fund Investment Corporation
Mitsubishi Corporation

Shonan iPark Outlines New Operational Structure to Provide Scale and Sustainable Long-Term Growth for the Ecosystem

- **Newly formed company through a partnership of Takeda, IIF, and Mitsubishi Corp. to succeed Shonan iPark's operation business on April 1, 2023**
- **Global life science ecosystem expected to further thrive, building on founding vision and mission**
- **Shonan iPark is a major R&D center for Takeda and the company remains committed to its strong innovation agenda at iPark**

- Renewing its commitment to innovation in Japan and to Shonan Health Innovation Park ("Shonan iPark"), Takeda Pharmaceutical Company Limited ("Takeda") today announced the creation of a new company, effective April 1, 2023, together with Industrial & Infrastructure Fund Investment ("IIF") and Mitsubishi Corporation ("Mitsubishi Corp."), to manage Shonan iPark. In addition, IIF and Mitsubishi Corp. have agreed to acquire a portion of the shares of the new company and together with Takeda, will oversee operations for Shonan iPark. The companies will collaborate to execute on a shared vision to further develop Shonan iPark and the surrounding area's ecosystem in a multifaceted manner.

Shonan iPark opened in April 2018 when Takeda transformed its research site into Japan's first pharma-led science park opening its doors to the world. In 2020, the assets (land and facilities) of Shonan iPark were placed in trust and the trust beneficiary rights were acquired by IIF in 2020 and 2021, but Takeda has continued to operate Shonan iPark on an outsourced basis.

Since its opening, Shonan iPark has been operating its facilities and conducting open innovation promotion projects with a mission of "Building a life science ecosystem that is open to the world,"

and a vision of “Social implementation of innovative ideas.” The number of tenants has grown from 20 at the time of opening, to more than 150 companies, universities and other organizations from a variety of fields, including pharmaceuticals, AI, and venture capital.

To support its aim of further developing this life science ecosystem, Shonan iPark has decided to shift to the aforementioned new management structure.

“Since its opening in April 2018, Shonan iPark has developed steadily with many players, including Takeda, the largest tenant, from academia, startups, companies, local hospital and governments,” said Toshio Fujimoto, General Manager of Shonan iPark. “We have sought to create a neutral, magnetic hub, where these diverse range of players can gather, collaborate freely, and take on the challenge of creating innovation. I am confident that this shift to collaborative management of Shonan iPark between Takeda, IIF, and Mitsubishi Corp. will allow us to further develop all of our businesses, including facility management, community building, venture support, and collaboration with the local community. We will continue to build a life science ecosystem that is even more open to the world, while maintaining the foundation and momentum of Shonan iPark that we have built up to date.”

About Shonan Health Innovation Park (Shonan iPark)

Shonan iPark is a science park founded in April 2018 by a pharmaceutical company. It convenes private and public sector organizations and academic institutions that widely range in terms of business type and scale and aims to be a space where health innovation can be accelerated. More than 2,000 employees (as of December 1, 2022) from more than 150 pharmaceutical, next-generation medicine, AI, venture capital, and government-related companies and organizations together form an ecosystem to enable such innovation.

Visit our website here: <https://www.shonan-health-innovation-park.com/en>

Click [here](#) for the latest residents/member companies and organizations of Shonan iPark.

Follow us on our social media accounts: [YouTube](#) / [facebook](#) / [Twitter](#) / [LinkedIn](#)

About Takeda Pharmaceutical Company Limited (Takeda)

Takeda is a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, committed to discover and deliver life-transforming treatments, guided by our commitment to patients, our people and the planet. Takeda focuses its R&D efforts on four therapeutic areas: Oncology, Rare Genetics and Hematology, Neuroscience, and Gastroenterology (GI). We also make targeted R&D investments in Plasma-Derived Therapies and Vaccines. We are focusing on developing highly innovative medicines that contribute to making a difference in people’s lives by advancing the frontier of new treatment options and leveraging our enhanced collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. Our employees are committed to improving quality of life for patients and to working with our partners in health care in approximately 80 countries and regions.

For more information, visit <https://www.takeda.com>.

About Industrial & Infrastructure Fund Investment Corporation (IIF)

IIF was listed on the Tokyo Stock Exchange (Securities Code 3249) in October 2007 as the only J-REIT specializing in industrial properties.

IIF aims to continuously increase unitholder value by investing in logistics facilities, factories, R&D facilities, and infrastructure facilities that are the foundation of all industrial activities and are expected to be used stably over the medium to long term, thereby ensuring stable earnings and steady growth of assets under management.

IIF has concluded an asset management agreement with KKR Japan Realty Management (KJRM) and entrusts them with asset management operations in accordance with IIF's Articles of Incorporation and investment policy.

About Mitsubishi Corporation (Mitsubishi Corp.)

Mitsubishi Corp. works with its roughly 1,700 subsidiaries, affiliates and group companies to develop businesses in approximately 90 countries around the world. Spanning multiple industries and regions, these businesses are overseen by Mitsubishi Corp.'s Industry DX Group and 10 Business Groups: Natural Gas, Industrial Materials, Petroleum & Chemicals, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution, and Urban Development. Through joint digital (DX) and energy (EX) transformations invested in sustainability, decarbonization and digitalization, the company is now focused on leveraging its operations to address myriad challenges that stand to impact our planet's future.

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