

Industrial & Infrastructure Fund Investment Corporation

March 13, 2023

To all concerned parties:

Investment Corporation
Industrial & Infrastructure Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 3249)
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Asset Management Company
KJR Management
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Notice Concerning Issuance of New Investment Units

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today that its board of directors, at a meeting held on March 13, 2023, passed a resolution to issue new investment units as outlined below.

Issuance of New Investment Units through Public Offering (“Public Offering”)

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|-----|--|--|
| (1) | Number of investment units to be offered | 43,500 investment units of IIF (“IIF Investment Unit(s)”) |
| (2) | Amount to be paid in (Issue value) | To be determined.
(The price shall provisionally be calculated in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association, and then be determined at the board of directors’ meeting to be held on a date between Thursday, March 16, 2023 and Wednesday, March 22, 2023 (“Issue Price Determination Date”). The amount to be paid in (issue value) refers to the amount IIF shall receive from the underwriters as the payment proceeds per IIF Investment Unit.) |
| (3) | Total amount to be paid in (Total issue value) | To be determined. |
| (4) | Offering method | (i) The offering of the IIF Investment Units shall be through a public offering (primary offering), and underwritten in full by a group of underwriters (collectively referred to as the “Underwriters”). The targeted investors of the Public Offering are the Target Institutional Investors (as defined in “<Reference> 1. Target of the Public Offering” below). A portion of the above IIF Investment Units may be sold to overseas investors in overseas markets including Europe and Asia (but excluding the United States and Canada). |

Disclaimer:

This press release does not constitute or form a part of any offer of securities in the United States of America. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to herein will not be publicly offered or sold in the United States.

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- (ii) The issue price (offer price) for the Public Offering shall be determined on the Issue Price Determination Date taking into account the level of demand and other factors, using the figure obtained by multiplying the closing price of the IIF Investment Units for ordinary trading on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the preceding date) by a figure between 0.90 to 1.00 (any fraction of one yen shall be rounded down to the nearest yen) as a tentative price, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association.
- (5) Compensation for the Underwriters No underwriting commission will be paid, and the difference between the total issue price (total offer price) and the total amount to be paid in (total issue value) with respect to the Public Offering shall represent the Underwriters’ compensation.
- (6) Subscription unit One unit or more in multiples of one unit
- (7) Subscription period for the Public Offering The following business day of the Issue Price Determination Date
- (8) Payment period for deposit in securities From the following business day of the Issue Price Determination Date to the date two business days after the Issue Price Determination Date
- (9) Payment date Any date between Thursday, March 23, 2023 and Tuesday, March 28, 2023, provided that the date shall be four business days after the Issue Price Determination Date.
- (10) Delivery date The following business day of the Payment Date
- (11) The issue price (offer price), the amount to be paid in (issue value) and other items required for the issuance of the new IIF Investment Units shall be determined at a board of directors’ meeting to be held in the future.
- (12) The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; hereinafter the “Financial Instruments and Exchange Act”) becoming effective.

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<Reference>

1. Target of the Public Offering

The Public Offering shall be made available only to the following; (i) banks, persons engaged in the investment management business stipulated in Article 28, Paragraph 4 of the Financial Instruments and Exchange Act, insurance companies, members of the Pension Fund Association, shinkin banks, members of the Federation of Shinkin Banks, The Shinkumi Federation Bank, The Norinchukin Bank, members of the Federation of Agricultural Cooperative Associations or the Federation of Mutual Aid Fisheries Cooperative Associations as stipulated in Article 10, Paragraph 1, Item 9 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993, as amended), labor banks, The Rokinren Banks and The Shoko Chukin Bank, Ltd. that are domestic qualified institutional investors (which shall mean the Qualified Institutional Investors as stipulated in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act), (ii) credit cooperatives, as well as (iii) overseas institutional investors (collectively (i) (ii) (iii) shall be referred to as the “Target Institutional Investors”), to form a more appropriate price for the investment units by expanding IIF’s institutional investor base. Based on the composition of unitholders of the IIF as of the end of the 31st fiscal period (as of January 31, 2023), IIF believes that increasing the portion of domestic and overseas institutional investors, who are deemed to have a higher impact on the pricing of investment units, will contribute to forming a more appropriate investment unit price, which in turn will lead to the further improvement of unitholder value for all unitholders, not limited to the institutional investors targeted by the Public Offering. IIF has therefore decided to target the Target Institutional Investors for the Public Offering.

2. Total Number of Issued Investment Units after the New Issuance of IIF Investment Units

Current number of issued investment units outstanding:	2,070,016 units
Number of new investment units to be issued in the Public Offering:	43,500 units
Total number of issued investment units after the Public Offering:	2,113,516 units

(Note) The ratio of the number of new investment units issued through the Public Offering to the current number of issued and outstanding investments units (total number of new investment units to be issued through the Public Offering divided by the current total number of issued and outstanding investment units) is 2.10%.

3. Objective and Rationale for the Issuance

The issuance of the new investment units was decided for the purpose of improving the profitability of the portfolio and financial stability through the acquisition of new specified properties (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No.198 of 1951 as amended; hereinafter the “Investment Trusts Act”), the same shall apply hereinafter) after having considered factors such as market trends and the level of distributions per unit.

4. Electronic Delivery of Prospectuses

The Underwriters will, in principle, provide the prospectus for the Public Offering by electronic means, and not as a written document. ^(Note)

(Note) IIF refers to the provision of the information stated in prospectuses by electromagnetic means as electronic delivery of prospectuses. The person providing the prospectus is deemed to have provided the prospectus, if said person provides the recipient such information stated in the prospectus by electromagnetic means after obtaining consent from the recipient (Article 27-30-9, Paragraph 1 of the Financial Instruments and Exchange Act; Article 32-2, Paragraph 1 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Ministry of Finance Order No. 22 of 1993, as amended (the “Cabinet Office Order”))). Accordingly, if such consent cannot be obtained or is withdrawn (Article 32-2, Paragraph 7 of the Cabinet Office Order), the

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prospectus cannot be delivered electronically. Therefore, the investment units in the Public Offering will be sold only to those investors who have given and have not withdrawn such consent.

5. Amount of Funds to be Financed, Specific Use of Proceeds and Scheduled Timing of Expenditure

(1) Amount of funds to be financed (approximate net proceeds amount to be obtained)

JPY 5,921,000,000

(Note) The above figures represent estimated amounts calculated based on the closing price for regular trading on the Tokyo Stock Exchange as of Tuesday, February 28, 2023.

(2) Specific use of proceeds and scheduled timing of expenditure

The proceeds from the Public Offering will be allocated to part of the funds to acquire new specified properties as indicated in the press release “Notice Concerning the Acquisition and Leasing of Four Properties in Japan” announced as of today as well as the construction contract fees etc. related to IIF Atsugi Logistics Center III redevelopment as indicated in the press release “Notice Concerning IIF Atsugi Logistics Center III Redevelopment Project (Follow-up Report 2)” announced as of today.

6. Designated Allottee of Distribution

None.

7. Others (Restrictions on Sale and Additional Issuance)

- (1) KJR Management agrees with the joint lead managers in regards to the Public Offering not to engage in the sales and certain other transactions of the investment units owned prior to the Public Offering without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to the date 180 days from the delivery date of the Public Offering.
- (2) KKR Alternative Assets LLC agrees with the joint lead managers in regards to the Public Offering not to engage in the sales and certain other transactions of the investment units owned prior to the Public Offering without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to the date 180 days from the delivery date of the Public Offering.
- (3) IIF agrees with the joint lead managers in regards to the Public Offering not to engage in the issuance of the investment units and certain other transactions without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to the date 90 days from the delivery date of the Public Offering (excluding the Public Offering, and the issuance of investment units through split of investment units and certain other exceptions).
- (4) For (1) through (3) above, the joint lead managers retain the right to terminate a part or all of the aforementioned agreement at their own discretion during the restriction period thereof or to shorten the restriction period thereof.

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(Reference) Other press releases announced today:

“Notice Concerning the Acquisition and Leasing of Four Properties in Japan”

“Notice Concerning Revision & Announcement of Forecast of Operating Results & Distributions for the Fiscal Period ending July 2023 & January 2024”

“Supplementary Material for the Press Release Announced on March 13, 2023”

“Notice Concerning IIF Atsugi Logistics Center III Redevelopment Project (Follow-up Report 2)”

“Notice Concerning Debt Financing (Refinancing)”

“Notice Concerning Acquisition of SBTi Validation”

About IIF: Industrial and 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: 81-3-5293-7091), 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.

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