

# Industrial & Infrastructure Fund Investment Corporation

May 10, 2023

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**

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## Notice Concerning New Debt Financing (Social Loan)

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today its decision with respect to new debt financing (Social Loan) (the “New Debt Financing”), as outlined below.

### 1. Overview

#### (i) Overview of the New Debt Financing

	Borrowing Period	Amount (million yen)	Fixed / Float	Interest Rate (Note 1,2,3)	Lender	Contract Execution Date	Scheduled Borrowing Date	Maturity Date	Remarks, Repayment Method
Debt 1	1.0 years	1,000	Float	Base interest rate* +0.160% (*JBA 1-month Japanese yen TIBOR)	Development Bank of Japan Inc. (Social Loan)	May 10, 2023	May 15, 2023	May 15, 2024	Unsecured and unguaranteed, lump sum repayment
Debt 2	8.0 years	1,000	Fixed	To be determined (Note 4)				May 15, 2031	
Debt 3	1.0 years	2,000	Float	Base interest rate* +0.165% (*JBA 1-month Japanese yen TIBOR)				Sumitomo Mitsui Banking Corporation (Social Loan)	

(Note 1) For JBA Japanese yen TIBOR, please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>)

(Note 2) For each interest calculation period, the base interest rate will be the 1-month Japanese yen TIBOR announced by the JBA TIBOR Administration at 11:00 am on two business days prior to the interest payment date (however, for the first calculation period, the applicable date is the scheduled borrowing date) for the immediately preceding interest rate calculation period. The base interest rate will be revised on every interest payment date. However, if there is no interest rate corresponding to the interest calculation period, it will be calculated by the formula described in the loan agreement.

(Note 3) With regard to debt 1 and debt 3, the interest payment will start on May 31, 2023 and thereafter the interest payment date will be the last day of every month until the maturity date (if the corresponding date falls on a non-business day, the immediately preceding business day is adopted), and maturity date. With regard to debt 2 the interest payment will start on June 31, 2023, followed by the last days of March, June, September, and December until the maturity date (if the corresponding date falls on a non-business day, the immediately preceding business day is adopted), and maturity date.

(Note 4) The interest rate will be determined on or before the scheduled borrowing date pursuant to the loan agreement entered on May 10, 2023. The announcement of the interest rate will be made at the time of determination.

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## (ii) Reasons for the borrowing of New Debt Financing

As announced in “Notice Concerning the Acquisition and Leasing of Four Properties in Japan” released on March 13, 2023, IIF is planning to acquire the trust beneficiary right in real estate of the IIF Ota Manufacturing Center<sup>(Note 1)</sup>, which is the Eligible Social Projects<sup>(Note2)</sup>. The proceeds from the New Debt Financing will be allocated to a portion of the funds for the acquisition. This borrowing is IIF's first Social Loan based on the Social Finance Framework (the "Framework") formulated by IIF on July 28, 2021<sup>(Note 2)</sup>. IIF will continue to promote ESG-conscious asset management and strengthen its fund procurement base by procuring funds through social finance.

(Note 1) For details of the acquisition of the property, please refer to the " Notice Concerning the Acquisition and Leasing of Four Properties in Japan " dated March 13, 2023.

(Note 2) The Eligible Social Projects refer to the properties that meet either of the Eligibility Social Criteria. For the details of the Eligibility Social Criteria and Social Finance Framework, please refer to the press release titled “Notice Concerning Submission of Revised Shelf Registration Statement for Social Bond Issuance” dated July 28, 2021.

## (iii) Amount of funds to be raised, specific use of funds, and scheduled time of expenditure

### (a) Amount of funds to be raised

4,000 million yen

### (b) Specific use of funds

The funds will be used for the acquisition of IIF Ota Manufacturing Center, which is scheduled to be acquired on May 15, 2023, and related expenses. The property is the Eligible Social Project that meets the Eligibility Social Criteria of "Facilities for job creation and development of regional economies through industrial promotion, etc." out of the five eligibility criteria in the Framework.

### (c) Scheduled time of expenditure

May 15, 2023

## (iv) IIF's debt after the New Debt Financing (after May 15, 2023)

(million yen)

	Before the refinancing	After the refinancing	Change
Short-term Borrowings	2,000	5,000	+3,000
Long-term Borrowings <sup>(Note)</sup>	191,583	192,583	+1,000
Total Borrowings	193,583	197,583	+4,000
Investment Corporation Bonds (Social Bonds)	14,700 (5,000)	14,700 (5,000)	0 (0)
Interest-bearing Debt in Total	208,283	212,283	+4,000

(Note) The amount of long-term borrowings includes amount of the current portion of long-term borrowings.

## 2. Future outlook of IIF

The impact of the New Debt Financing on IIF's operating status for the period ending July 2023 (the 32nd fiscal period: February 1, 2023 to July 31, 2023) and the period ending January 2024 (the 33rd fiscal period: August 1, 2023 to January 31, 2024) is not material and the forecasts of operating status for the same periods remain unchanged.

## 3. Others

For the risks associated with the New Debt Financing, etc., please refer to “Investment Risk” stated in the 31st fiscal period Securities Report filed on April 27, 2023.

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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.*