

Industrial & Infrastructure Fund Investment Corporation

August 30, 2023

To all concerned parties:

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Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Right **(IIF Narashino Logistics Center I (New Building))**

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today that KJR Management, IIF’s asset manager (the “Asset Manager”), decided to acquire and lease a domestic real estate trust beneficiary right (the “Anticipated Acquisition”), as outlined below.

The Anticipated Acquisition is a building (logistics facility) to be constructed on the property site as the redevelopment project of “IIF Narashino Logistics Center (land with leasehold interest)” (the “Property”) of which only the land is owned by IIF.

Key Points

- 1. Development of BTS-type logistics facility to meet a major logistics company’s need for a new operation base.**
- 2. Signed long-term lease reservation contract (15-year contract term / 10-year non-cancelable period) with the tenant.**
- 3. To maintain profitability during the development period through redevelopment with bridge scheme.**

1. Summary of the Anticipated Acquisition

Property number (Note 1)	Property name ^(Note 2)	Location	Seller	Anticipated acquisition price (million yen)	Appraisal value ^(Note 3) (million yen)	NOI yield ^(Note 4)	NOI yield after depreciation (After adjustment by surplus cash distribution) (Note 4)	Anticipated acquisition date ^(Note 5)
L-9	IIF Narashino Logistics Center I (<i>Building</i>)	Narashino-shi, Chiba	Kajima Leasing Corporation	5,126	6,190	5.1%	3.4% (3.9%)	September 1, 2025

(Note 1) “Property number” classifies properties owned or to be acquired by IIF into three categories, namely, L (logistics facilities), F (manufacturing, research and development facilities), and I (infrastructure facilities).

(Note 2) The land and buildings after the acquisition of the Anticipated Acquisition are collectively referred to as “IIF Narashino Logistics Center I”. The same shall apply hereinafter.

(Note 3) The “Appraisal value” is the survey value as of July 1, 2023, described in the survey report for the building. For the details of the survey report, please refer to “10. Summary of Survey Report” below. The same shall apply hereinafter.

(Note 4) For the calculation formulas of “NOI yield” and the “NOI yield after depreciation (After adjustment by surplus cash distribution)”, please refer to “【Reference: Definitions of Individual Calculation Formulas】” below.

(Note 5) “Anticipated acquisition date” is the delivery date scheduled as of today, and is subject to change.

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【IIF Narashino Logistics Center I】



【To acquire the building to be constructed on the land with leasehold interest owned by IIF】

The above figures are rendering images of the building to be completed, and actual construction may differ from the image. In addition, as for IIF Narashino LC II, redevelopment is currently under planning, but IIF has not decided on the redevelopment as of today.

2. Reason for Acquisition and Lease

IIF decided to acquire the Anticipated Acquisition based on its judgment that the characteristics of the property are aligned with IIF's investment strategies, specifically, the acquisition of prime asset that would contribute to increase distributions per unit. The property is located in a prime area, and rarely available. Since its acquisition in February 2010, the Property has kept high occupancy and stable operation, but the land lease contract for the business is about to expire. Under these circumstances, we have captured a major logistics company's need for a new logistics facility, and we will reconstruct the logistics facility in cooperation with Kajima Leasing Corporation, the existing lessee (the owner of the existing building), and acquire the building to be newly constructed.

Please refer to section "3. Summary of Anticipated Acquisition and Lease" for the details and reasons for the acquisition and lease of the property.

With regard to tenants for the lease of the Anticipated Acquisition, its creditworthiness, competitiveness in the industry, position, products, etc. are comprehensively considered in accordance with the investment policy of IIF.

■ Scheme and schedule of the Development Project (planned)

A purchase and sale agreement of trust beneficiary right ^(Note) for the Anticipated Acquisition to be newly constructed has been concluded between the seller, Kajima Lease Corporation, and IIF, as of today. The development project utilizes a bridge scheme, and the Anticipated Acquisition is planned to be constructed with Kajima Lease Corporation ("the Seller" or "the Bridger") as the bridger and the construction contractor.

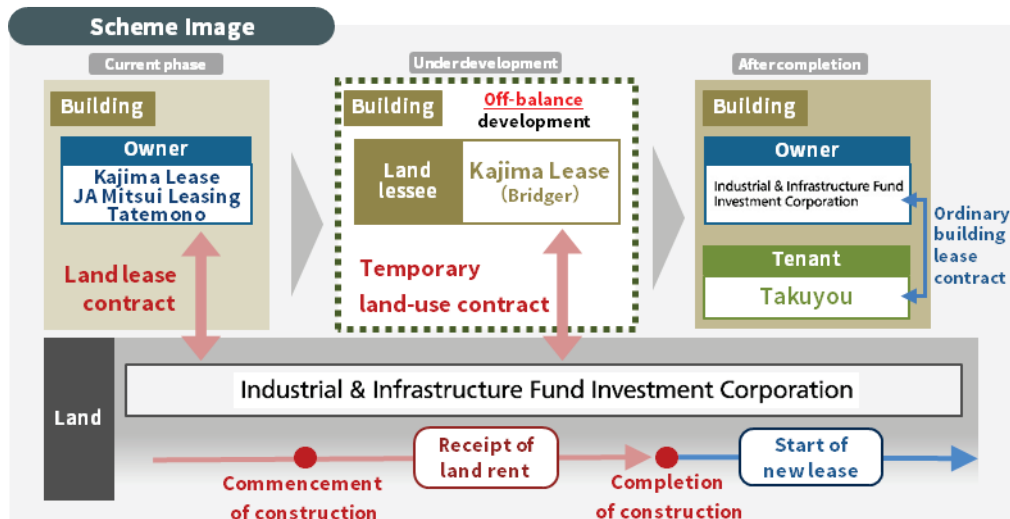
In addition, the existing building will be demolished by the current tenant, and a land lease agreement for temporary use during the development period will be contracted with the Bridger for the property on which the Anticipated Acquisition is to be constructed. IIF will receive the land rent equivalent to the current land lease agreement during the construction. Therefore, the profitability of the property will be maintained during the construction period by avoiding significant one-time expenses such as demolition and removal costs and by preventing downtime with no rent income.

An ordinary building lease reservation contract has been concluded between the Bridger as the lessor and Takuyo Corporation as the lessee. The trustee for the Property plans to succeed the status of the building lessor at the time of the Anticipated Acquisition, which also avoids downtime after the Anticipated Acquisition.

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(Note) As to the purchase and sale agreement for the trust beneficiary rights concerning the Anticipated Acquisition, each of the conditions for the execution of the Anticipated Acquisition (the "Conditional Precedent"), such as completion of the Anticipated Acquisition by the Seller according to the predetermined specifications and completion of the financing necessary for the payment of the purchase price by IIF, has been stipulated. IIF is obligated to pay the purchase price for the Anticipated Acquisition only upon fulfillment of the Conditional Precedent.



Conclusion of purchase and sale agreement of trust beneficiary rights	August 30, 2023
Conclusion of land lease agreement for temporary use	August 30, 2023
Expiration of current land lease agreement	September 30, 2023
Construction term of New Building	From October 2023 to February 2025 (scheduled)
Conclusion of ordinary building lease contract	February 28, 2025 (scheduled)
Anticipated acquisition date	September 1, 2025 (scheduled) or a date to be separately agreed upon by the seller and the purchaser.



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■ Effects of the Development Project

The following effects are expected as a result of the Development Project. The appraisal value and NOI of the After Redevelopment will be 8,610 million yen (+6,660 million yen) and 336 million yen (+267 million yen), respectively.

Key Indices		
	Before Redevelopment	After Redevelopment
		
	※IIF owns land with leasehold interest only	
	Before Redevelopment (Land with leasehold interest)	After Redevelopment (Land and Building)
Anticipated acquisition price ^(Note1)	JPY 1,190 mn.	JPY 6,371 mn.
Appraisal Value (Survey Value) ^(Note2)	JPY 1,950 mn.	JPY 8,610mn. (+JPY6,660 mn.)
Unrealized gain (Ratio) ^(Note3)	JPY 760 mn. (+63.9%)	JPY 2,238 mn. (+35.1%)
Total floor area ^(Note4)	—	27,614.58㎡
Annual NOI ^(Note5)	JPY 68 mn.	JPY 336 mn. (+JPY267 mn.)
NOI yield/ NOI yield after depreciation ^(Note5) <small>(After adjustment by surplus cash distribution)</small>	5.7% / 5.7%	5.3% / 3.9% (4.3%)
Contract term	22.0 years (Remaining for 0.1 years)	15.0 years (Non-cancelable for 10 years)

(Note 1) The "Anticipated acquisition price" for "After Redevelopment (Land and Building)" is a reference figure totaling the acquisition price of the trust beneficiary interest for the Anticipated Acquisition (excluding acquisition costs, property tax, city planning tax, consumption tax, etc.) as described in the purchase and sale agreement for the building, land price already acquired (the acquisition price of the land described in the purchase and sale agreement for the property at the time of acquisition in 2010), and the land value proportionally divided by the area of the land (1,777.88m²) to be delivered (the Land to be delivered) to the Property from the land of IIF Narashino Logistics Center II, adjacent to the Property. The actual acquisition price of the Anticipated Acquisition may change in the future due to changes in the project plan, etc.. In addition, the NOI yield After Redevelopment (Land and Building) and NOI yield after depreciation may also change in the future, as the above land delivery has not been determined as of today. The same shall apply hereinafter.

(Note 2) The "Appraisal Value (Survey Value)" of "Before Redevelopment (Land with leasehold interest)" is the appraisal value based on the appraisal report for the land portion with a date of valuation of July 31, 2023 and that of After Redevelopment (Land and Building) is the survey value based on the survey report for the entire land (including the Land to be delivered) and building with a survey date of July 1, 2023. The same shall apply hereafter.

(Note 3) The "Unrealized gain" of "Before Redevelopment (Land with leasehold interest)" is the difference between the appraisal value and the acquisition price of the Property. The "Unrealized gain" of "After Redevelopment (Land and Building)" is the difference between the survey value for the entire land (including the Land to be delivered) and

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building and the Anticipated acquisition price of the Anticipated Acquisition. The "Unrealized gain" of "Before Redevelopment (Land with leasehold interest)" and "After Redevelopment (Land and Building)" are estimated figures as of today and there is no guarantee that they will be consistent with each actual unrealized gain. The price of the Anticipated Acquisition and the actual survey value of the Anticipated Acquisition may change in the future due to changes in the content of the plan for the Development Project. The same shall apply hereafter.

(Note 4) The "Total floor area" of "After Redevelopment (Land and Building)" is the reference figure based on the current plan for the Development Project. The "Total floor area" of "After Redevelopment (Land and Building)" may change in the future due to changes in the content of the plan for the Development Project.

(Note 5) For the calculation formulas of "NOI yield" and the "NOI yield after depreciation (After adjustment by surplus cash distribution)", please refer to "【Reference: Definitions of Individual Calculation Formulas】" below.

3. Summary of Anticipated Acquisition and Lease

(1) Summary of Anticipated Acquisition

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	ERI Solution Co., Ltd.
Anticipated acquisition date ^(Note 1)	September 1, 2025		Evaluation date	July 7, 2023
Anticipated acquisition price	5,126 million yen		Immediate repair cost	0 yen
Appraisal value	6,190 million yen		Short-term repair cost	0 yen
Appraiser	Japan Real Estate Institute		Long-term repair cost	97,660,000 yen (for 12 years)
Date of trust beneficiary rights set (scheduled)	September 1, 2025		Annualized average repair cost	8,130,000 yen (annualized average of 12 years)
Trustee(scheduled)	Sumitomo Mitsui Trust Bank, Limited			
Trust period end(scheduled)	August 31, 2035			
Location	34-9, Akanehama 3-chome, Narashino-shi, Chiba, Japan			
Land area ^(Note 2)	20,809.47 m ²	Building structure / stories ^(Note 3)	3-story steel-framed building	
Zoning	Exclusive industrial area			
Floor area ratio/ building-to-land ratio	200%/60%			
Type of Possession	Ownership			
Earthquake PML ^(Note 3)	6.2%			
Collateral	None	Construction Completion ^(Note 3)	February 28, 2025	
Designer	JFE Civil Engineering & Construction Corp. First-class Architect Office	Gross floor area ^(Note 3)	27,614.58 m ²	
Structure designer	JFE Civil Engineering & Construction Corp. First-class Architect Office			
Constructor	Takuyou Corporation Limited	Type of building ^(Note 3)	Warehouse/Office	
Confirmation and Inspection Organization	URBAN HOUSING EVALUATION CENTER			
Special notes	None			

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

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- (Note 2) “Land area” includes, in addition to the Property already owned by IIF, the Land to be delivered (a part of the leasehold interest in IIF Narashino Logistics Center II (1,777.88m²)), which is adjacent to the Property. The Redevelopment Property is to be constructed on the site combined with the Land to be delivered after a new fixed-term leasehold contract concerning the Land to be delivered is concluded. A portion (1,777.88m²) of the land at IIF Narashino Logistics Center II will be delivered to IIF Narashino Logistics Center I as the principal.
- (Note 3) “Building structure / stories”, “Construction Completion”, “Earthquake PML”, “Gross floor area” and “Type of building” are described based on the design as of today. They may change in the future due to changes in the plan for the Development Project.

(2) Description of Lease Relating to Anticipated Acquisition

The details of the lease contract, etc. concluded as of today, are as follows. After the Anticipated Acquisition, the trustee will succeed to the status of Kajima Lease Corporation as the lessor in the ordinary building lease reservation agreement.

<Ordinary building lease reservation contract>

Lessor/ Lessee	Number of tenant(s)	Total leased area <small>(Note 1)</small> (occupancy rate)	Annual rent (excluding consumption tax) <small>(Note 2)</small>	Period of contract <small>(Note 3)</small>	Deposit <small>(Note 2)</small>
Kajima Lease Corporation / Takuyou Corporation Limited	1	27,570.69 m ² (100%)	Not disclosed	15 years (from February 28, 2025 until February 27, 2040)	Not disclosed
Revision of rent or termination during the lease period					
Contract Type: Ordinary building lease reservation contract Contract Renewal and Revision: · The lessee may terminate the lease contract on the date it intends to terminate the contract until the date 10 years after the date of delivery ("the Last Day of the Termination Prohibition Period"), provided that the lessee notifies the lessor in writing at least 12 months before the intended date of termination and pays the lessor an amount equivalent to rent until the Last Day of the Termination Prohibition Period as a cancellation penalty by the intended date of termination. In addition, the lessee may terminate the contract on the date it intends to terminate the contract in advance by notifying the lessor in writing at least 12 months prior to the intended termination date on or after the day following the Last Day of Termination Prohibition Period. The lessee may not withdraw the notice of termination or change the details (including the scheduled termination date) without the lessor's written consent. · The lessor and lessee agree not to diminish the rent even if all or part of the property becomes temporarily unavailable for use and income due to legal inspections or other inspections, investigations, repair work or renewal work, or other reasons. In addition, the lessor and lessee shall not revise the rent for any reason during the lease term.					

(Note 1) "Total leased area" may change in the future due to changes in the project plan as of today.

(Note 2) IIF has not obtained the necessary permission from the lessee to disclose this information.

(Note 3) The contract start date will be the scheduled completion date of the building, and if the completion of the building is delayed, the start date of the contract will also be delayed.

The following contracts will be concluded during the bridge period, and the annual rent for each of these contracts is expected to be equivalent to the current land rent, thus maintaining revenue during the redevelopment period. The current land lease contract will remain effective until September 30, 2023.

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< Land lease contract for Temporary use ^(Note 1)>

Lessor	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) ^(Note 2)	Period of contract ^(Note 3)	Deposit ^(Note 2)
Kajima Lease Co.	1	20,809.47 m ² (100%)	Not disclosed	(From October 1, 2023 until February 28, 2025)	Not disclosed
Revision of rent or termination during the lease period					
Contract Type: Land lease contract for temporary use Contract Renewal and Revision: <ul style="list-style-type: none"> · There are no provisions regarding mid-term cancellation or rent revision in the agreement. · Under the agreement, if the completed building (the Anticipated Acquisition) has a structure and specifications, etc. satisfactory to the lessor, and there are no problems with the subordination of the inspection certificate and legal compliance of the building, and other conditions (if any) separately agreed upon between the lessor and lessee are met, immediately after the completion of the building (or at the latest by the completion date), it is agreed that the land lease contract for temporary use shall be terminated, and a new fixed-term leasehold contract shall be executed with IIF as the lessor and Kajima Lease Corporation as the lessee. Refer to < Fixed-term leasehold reservation agreement > as below. 					

(Note 1) This is a land lease contract for temporary use between IIF and Kajima Lease Corporation to construct a building on the land.

(Note 2) IIF has not obtained the necessary permission from the lessee to disclose this information.

(Note 3) The contract term is until the scheduled completion date of the building, and if the completion of the building is delayed, the lease term will be extended.

< Fixed-term leasehold reservation agreement ^(Note 1)>

Lessor	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) ^(Note 2)	Period of contract ^(Note 3)	Deposit ^(Note 2)
Kajima Lease Corporation	1	20,809.47 m ² (100%)	Not disclosed	70 years (from March 1, 2025 until February 28, 2095)	Not disclosed
Revision of rent or termination during the lease period					
Contract Type: Fixed-term leasehold reservation agreement Contract Renewal and Revision: <ul style="list-style-type: none"> · The lessor and the lessee agree that the rent shall not be revised for any reason during the term of this agreement, and that the rent shall not be reduced even if part or all of the land becomes temporarily unavailable for use and profit due to the survey of the land or other reasons, or if part of the land becomes unavailable for use and profit due to the loss of the land or other reasons. 					

(Note 1) This is a reservation agreement regarding a fixed-term leasehold agreement to be executed between IIF and Kajima Lease Corporation After Kajima Lease Corporation constructs a building on the Property. In the event that the conditional precedent is not fulfilled and IIF does not acquire the Anticipated Acquisition, IIF plans to lease the property to Kajima Lease Corporation under the fixed-term land leasehold.

(Note 2) IIF has not obtained the necessary permission from the lessee to disclose this information.

(Note 3) The start date of the contract will be the scheduled completion date of the building, and if the completion of the building is delayed, the start date of the contract will be extended.

(3) Reasons for the Acquisition

■ Long-term Usability

- Establishment of a new important distribution base in the Chiba Bay area for Takuyo, a major logistics company, covering central Tokyo and the entire Tokyo metropolitan area.
- High continuity guaranteed by a lease contract with a term of 15 years (10-year non-cancelable term)

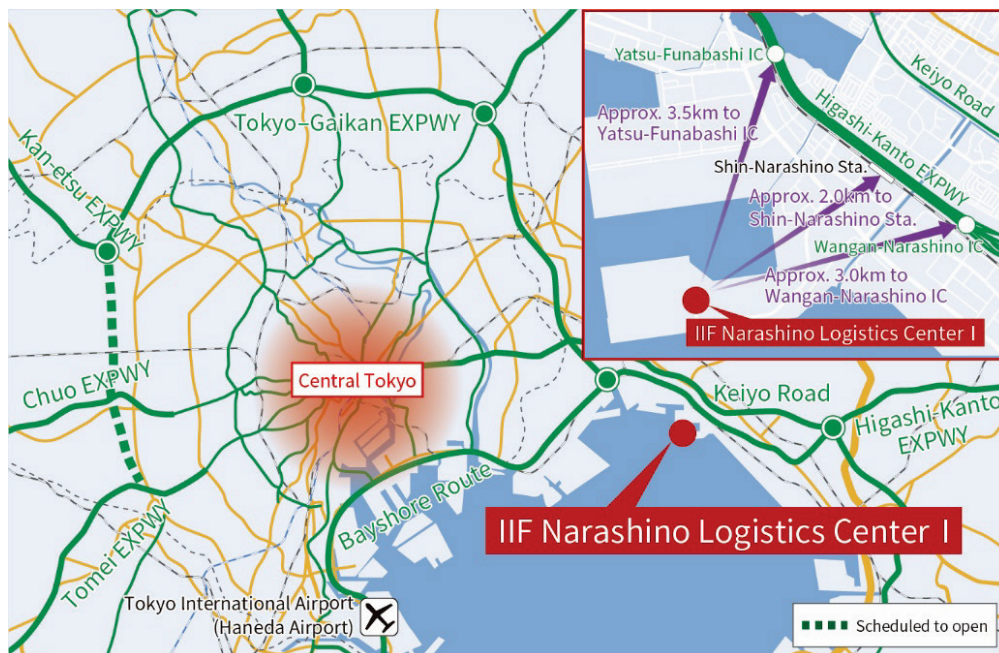
■ Versatility

<Location>

- Located approximately 3 km from the Wangan Narashino IC of the Higashi-Kanto Expressway, the highly competitive location for distribution base towards consumption areas throughout the Tokyo metropolitan area.
- Approximately 2 km from Shin Narashino Station on the JR Keiyo Line and commutable by bus service, easy access to labor force.
- Area with strong demand for logistics facilities from retailers, etc., against the backdrop of the apparel industry's expansion into online shopping.

<Facility (planned)>

- A mid-size logistics facility featuring high operational efficiency with a floor weight capacity of 1.5t/m², effective ceiling height under the beam of approx. 5.5 m and pillar intervals of approx. 11m × approx. 11m, making it suitable for a variety of shippers.
- The site has 20 truck waiting spaces to accommodate the “2024 issue” and 122 passenger car parking spaces to accommodate workers' commuting by car.
- Truck berths with large 15-meter eaves also provide a work environment that is not affected by weather conditions.



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4. Profile of Seller

(1) Name of company	Kajima Leasing Corporation
(2) Head office address	6-6, 1-chome, Motoakasaka, Minato-ku, Tokyo, Japan
(3) Representative	Jin Inaba, President & CEO
(4) Main line of business	Business such as leasing, buying and selling, brokerage, etc. of real estate and related equipment Construction project others
(5) Capital	400 million yen (as of March 31, 2023)
(6) Date of establishment	January 20, 1984
(7) Net assets	10,264 million yen (as of March 31, 2023)
(8) Total assets	32,900 million yen (as of March 31, 2023)
(9) Large shareholder (Shareholding ratio)	KAJIMA CORPORATION (100%) (as of March 31, 2023)
(10) Relation with IIF or the Asset Manager	There are no notable capital, personal or business relationships between IIF / the Asset Manager and the company, 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 company. None of the company, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager

5. Profile of Broker

None.

6. Matters relating to Forward Commitment Contracts

(1) Anticipated Acquisitions that fall under a Forward Commitment Contract

The purchase and sale agreement concerning the Anticipated Acquisition falls within the definition of forward commitment contract, etc. ^(Note) as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.

(Note) A forward commitment contract, etc. is defined as any purchase and sale agreement or other type of agreement that is signed a month or more in advance of the actual date of the settlement or delivery pursuant to the agreement. The same shall apply hereinafter.

(2) Effect on IIF's Financial Condition due to any Failure of IIF to comply with a Forward Commitment Contract, etc.

In the event that IIF breaches any of the agreements set forth in the purchase and sale agreement or that any of its representations and warranties are found to be untrue, inaccurate, or misleading, IIF shall indemnify the seller for damages and, in such case, if it is possible to correct or restore the damage but the IIF fails to do so within a reasonable period of time, or it is clear that the purpose of the purchase agreement cannot be achieved in a material aspect due to a breach or other reason, the seller may cancel the purchase agreement, in which case IIF will pay the seller a penalty equivalent to 20% of the total amount of the purchase price. However, the purchase and sale agreement stipulates that the obligation to pay the purchase price will arise on the condition that IIF completes the financing (including, but not limited to, a capital increase) necessary for the payment of the purchase price.

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7. Means of Payment

The acquisition funds of the Anticipated Acquisition will be financed not only in cash on hand but also in financing such as debt, etc. as needed. In case of payment through financing, we will announce again when the amount, date, and method of the financing are determined. In addition, IIF plans to conduct a lump-sum settlement upon delivery for the Anticipated Acquisition.

8. Date of Acquisition

Property name	Contract signing date	Payment date (scheduled) ^(Note)	Delivery date (scheduled) ^(Note)
IIF Narashino Logistics Center I (<i>Building</i>)	August 30, 2023	September 1, 2025	September 1, 2025

(Note) The payment date and delivery date are scheduled dates as of today, and may change on the indicated date or on a date to be separately agreed upon by the seller and the purchaser.

9. Future Outlook of IIF

The acquisition of the Anticipated Acquisition has no material impact on the forecasts of operating status for the fiscal period ending January 2024 (the 34th fiscal period: August 1, 2023 to January 31, 2024) and the forecasts of operating status for the same fiscal periods remain unchanged.

10. Summary of Survey Report

【IIF Narashino Logistics Center I (Building)】

Appraiser	Japan Real Estate Institute
Survey value	6,190 million yen
Survey value as of:	July 1, 2023

Item	Value	Notes
Indicated value by income approach	6,190 million yen	
DC method by the adjusted Inwood method	6,240 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	260 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	5 million yen	
Net income	255 million yen	
Discount rate of adjusted Inwood method	4.1 %	
DCF method	6,130 million yen	
Discount rate	3.5 %	
Discount rate of the terminal value	4.1 %	
Indicated value based on cost approach	5,310 million yen	
Proportion of land	40.8 %	
Proportion of building	59.2 %	

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

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【IIF Narashino Logistics Center I (After Redevelopment) (Land and Building)】

Appraiser	Japan Real Estate Institute
Survey value	8,610 million yen
Survey value as of:	July 1, 2023

Item	Value	Notes
Indicated value by income approach	8,610 million yen	
DC method by the adjusted Inwood method	8,720 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	336 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	5 million yen	
Net income	331 million yen	
Discount rate of adjusted Inwood method	3.8 %	
DCF method	8,500 million yen	
Discount rate	3.5 %	
Discount rate of the terminal value	3.9 %	
Indicated value based on cost approach	8,260 million yen	
Proportion of land	57.9 %	
Proportion of building	42.1 %	

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

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11. Various indices of Anticipated Acquisition (After Redevelopment)

NOI yield	5.3 %	NOI	336 million yen
NOI yield after depreciation (After adjustment by surplus cash distribution)	3.9 % (4.3 %)	Depreciation	86 million yen

【Reference: Definitions of Individual Calculation Formulas】

Definitions of Individual Calculation Formulas regarding “NOI yield”, “NOI yield after depreciation (After adjustment by surplus cash distribution)” referred to in Note 4 on Page 1 “1. Summary of Anticipated Acquisition”, in Note 5 on Page 5 “2. Reason for Acquisition and Lease, ■ Effects of the Development Project ” and “NOI yield”, “NOI yield after depreciation (After adjustment by surplus cash distribution)”, “NOI” and “Depreciation” referred to in “11. Various indices of Anticipated Acquisition (After Redevelopment)” above.

Each figure is calculated as follows.

NOI yield = NOI* / Anticipated acquisition price**

NOI yield after depreciation = (NOI - depreciation***) / Anticipated acquisition price**

NOI yield after adjustment by surplus cash distribution = (NOI - depreciation*** + depreciation (limited to that of Anticipated acquisition) × 30%) / Anticipated acquisition price**

* With respect to the calculation of NOI, the NOI of Anticipated acquisition is calculated based on the net operating income in the direct capitalization method as described in the survey report dated July 1, 2023, that of Before Redevelopment is calculated based on the net operating income in the direct capitalization method as described in the appraisal report dated July 31, 2023, and that of After Redevelopment is calculated based on the net operating income in the direct capitalization method as described in the survey report dated July 1, 2023.

** The "Anticipated acquisition price" for "After Redevelopment (Land and Building)" is a reference figure totaling the acquisition price of the trust beneficiary interest for the Anticipated Acquisition (excluding acquisition costs, property tax, city planning tax, consumption tax, etc.) as described in the purchase and sale agreement for the building, the land price already acquired (the acquisition price of the land described in the purchase and sale agreement for the property at the time of acquisition in 2010), and the land value proportionally divided by the area of the Land to be delivered (1,777.88m²) to the Property from the land of IIF Narashino Logistics Center II, adjacent to the Property. The actual acquisition price of the Anticipated Acquisition may change in the future due to changes in the project plan, etc.. In addition, the NOI yield After Redevelopment (Land and Building) and NOI yield after depreciation may also change in the future, as the above land delivery has not been determined as of today. The same shall apply hereinafter.

*** Depreciation has not been incurred for the Property before redevelopment (land with leasehold interest), as IIF only owns the land with leasehold interest, and is estimated calculated by using the depreciation rates under the straight-line method for the property After Redevelopment (Land and Building), as with the other existing assets owned by IIF.

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. Regarding 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 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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