

# Industrial & Infrastructure Fund Investment Corporation

November 29, 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 Acquisition and Leasing of Real Estate Trust Beneficiary Rights**

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

### Key Points

- The first carve-out deal through joint CRE proposal with KKR Group.**
- Acquisition of rare lands with leasehold interest for tank terminals with high stability and profitability to meet the asset-lighting needs of Central Tank Terminal Co. Ltd., a major public tank terminal operator, to improve its corporate value.**
- CRE proposal for nine major business locations nationwide, with preferential negotiation rights for six remaining business locations.**

### 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)	Unrealized gain (Note 5) (million yen) (ratio)	NOI yield (Note 4)	NOI yield after depreciation (Note 4)	Anticipated acquisition date
I-10	IIF Kawasaki Port Tank Terminal (land with leasehold interest)	Kawasaki-shi, Kanagawa	Central Tank Terminal Co., Ltd.	7,109	7,490	380 (+5.4%)	3.9%	3.9%	December 11, 2023
I-11	IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)	Yaizu-shi, Shizuoka		134	162	28 (+20.9%)	6.0%	6.0%	
I-12	IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)	Kitakyushu-shi, Fukuoka		586	624	37 (+6.4%)	5.3%	5.3%	

(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 “Appraisal value” is the appraisal value as of Oct. 31, 2023, described in the appraisal report for the building. For the details of the appraisal report, please refer to “10. Summary of Appraisal Report” below. The same shall apply hereinafter.

(Note 3) The unrealized gain is a figure between appraisal value and anticipated acquisition price.

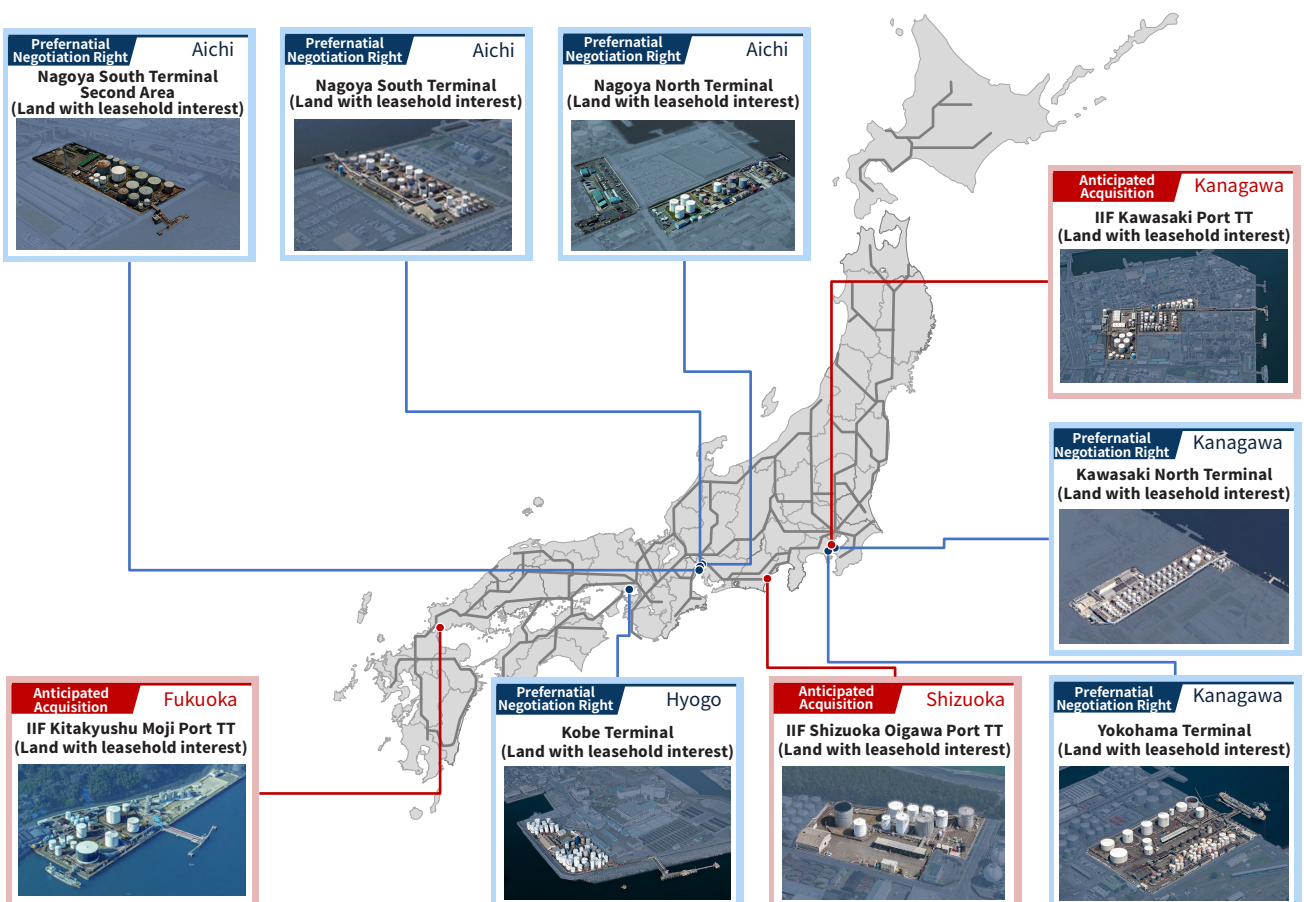
(Note 4) For the calculation formulas of “NOI yield” and the “NOI yield after depreciation”, please refer to “【Reference: Definitions of Individual Calculation Formulas】” below.

## 2. Reason for Acquisition and Lease

IIF decided to acquire the Anticipated Acquisitions based on its judgment that the characteristics of the property are aligned with IIF's investment strategies, specifically, the acquisition of quality assets that would contribute to increased cash distributions per unit. In deciding whether to acquire the three properties to be acquired, we evaluated the properties in terms of profitability, long-term usability and versatility. Please refer to section "3. Summary of the Anticipated Acquisitions and Leases" for the details and reasons for acquisitions and leases of the properties. With regards to the reasons for the leases of the Anticipated Acquisitions, we are of the view that the tenant of the Anticipated Acquisitions meets the tenant selection criteria set forth in the "Report on the Management Structure and System of the Issuer of REIT Units and Related Parties", released on October 26, 2023.

In view of the capital cost improvement needs of Japanese companies, IIF has been conducting CRE proposal activities for several companies in cooperation with its sponsor, and the Anticipated Acquisition is the first CRE carve-out deal. With the growing momentum of manufacturing industries returning to the domestic market, the tank terminal facilities to be acquired this time are indispensable for the distribution of highly specialized liquid cargo and is expected to further expand its business by entering the small-volume cargo storage business and upstream & downstream processes. On the other hand, the zoning in which chemical storage facilities can be newly built is extremely limited by law and regulations, creating high entry barriers to and making the asset very sticky for existing tenants. Considering the current inflationary environment, a fixed-term leasehold agreement for business use will be executed, which stipulates that the rent for the Anticipated Acquisition can be negotiated every five years and that the amount equivalent to the actual property tax and city planning tax fluctuation will be received as rent. In addition to the three properties to be acquired, we have also acquired preferential negotiating rights for six tank-terminal facilities owned by Central Tank Terminal Co. Ltd. through Bridger. We will continue to work with the KKR Group to acquire properties through CRE proposal along with the needs of companies, which is one of the asset management company's strengths, leading to further growth of IIF.

### 【The Anticipated Acquisition and Preferential Negotiation Rights】



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## 3. Summary of the Anticipated Acquisition and Leases

### 【IIF Kawasaki Port Tank Terminal (land with leasehold interest)】

#### (1) Summary of Property

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	-
Anticipated acquisition date	December 11, 2023		Evaluation date	-
Anticipated acquisition price	7,109 million yen		Immediate repair cost	-
Appraisal value	7,490 million yen		Short-term repair cost	-
Appraiser	Japan Real Estate Institute		Long-term repair cost	-
Date of trust beneficiary rights set	December 11, 2023		Annualized average repair cost	-
Trustee	SMBC Trust Bank Ltd.			
Trust period end	November 30, 2033			
Location	4-12, Chidori-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan and others			
Land area	42,186.88m <sup>2</sup> (Note1) (Note2)	Building structure / stories		
Zoning	Exclusive industrial area			
Floor area ratio /building-to-land ratio	200%/60%			
Type of Possession	Ownership			
Earthquake PML	-	Completion	-	
Collateral	None	Gross floor area	-	
		Type of building	-	
Special notes	<ul style="list-style-type: none"> <li>• Before acquiring the property, IIF requested Field Partners Co., Ltd. to conduct a soil contamination risk assessment. As a result, the subject land is assessed as having groundwater contamination by arsenic, benzene, etc. However, the groundwater is not used for drinking and the entry of outsiders into the subject land is unlikely due to the restricted access to the site by other than related parties. Therefore, the possibility of health hazards is evaluated to be low because there is the suppression of the possibility of human exposure assumed by the Soil Contamination Countermeasures Law. In addition, the subject land is reclaimed land, and groundwater in reclaimed land mainly moves by pressure from shallow to deep layers due to tidal movement of the sea surface and rainfall, thus there is no constant flow direction and horizontal mobility of groundwater is low. Therefore, the impact on the surrounding environment by groundwater contamination on the subject land is evaluated to be relatively low.</li> <li>• Boundary confirmation has not been executed for the boundary with the adjacent lands.</li> </ul>			

(Note 1) The land is located in the Harbor District.

(Note 2) This figure includes the private road portion (approx. 852.95 m<sup>2</sup>).

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## (2) Description of Leases Relating to Anticipated Acquisition

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) <sup>(Note)</sup>	Period of contract	Deposit <sup>(Note)</sup>
Central Tank Terminal Co., Ltd.	1	42,186.88 m <sup>2</sup> (100.0%)	-	49 years 11 months (from December 11, 2023 until November 10, 2073)	-
<b>Revision of rent or termination during the lease period</b>					
<p>● Central Tank Terminal Co., Ltd.</p> <p>Contract Type: Fixed-term land lease contract for business purpose</p> <p>Contract Renewal and Revision:</p> <ul style="list-style-type: none"> <li>· The lessor and lessee shall not revise the rent for five years from the delivery date (from December 11, 2023 to December 10, 2028) (hereinafter referred to as the "Rent Non-Revision Period"). However, after the Rent Non-Revision Period, the lessor or lessee may request to discuss the rent revision for the month following the month that includes the corresponding date every five years after the delivery date. In addition, when proposing to discuss a rent revision, the proposer is required to present an expert report on economic conditions and the market rent rate, etc., and to explain the changes in the market rent around the land due to increases or decreases in the price of surrounding land and other changes in economic conditions after the date of conclusion of the agreement.</li> <li>· The lessor and lessee are not allowed to terminate the contract before the end of the contract period, except in the case of default, petition for compulsory execution, etc., resolution to close or dissolve the business, or other reasons for termination of the contract.</li> </ul> <p>Other Matters:</p> <ul style="list-style-type: none"> <li>· In the event that the lessor or a trust beneficiary intends to sell the property or trust beneficiary interests in the Property (the "Property, etc."), the lessor must notify the lessee of the terms of the sale of Property, etc. in writing before any third party, either by the lessor or by the trust beneficiary. If the lessee notifies the lessor or the trust beneficiary in writing of its intention to purchase the Property, etc. on the terms and conditions set forth in such notice within 30 days of receipt of such notice, the lessor or the trust beneficiary shall sell the Property, etc. to the lessee or its designee. In addition, in the event that the lessee gives written notice of its desire to purchase the Property, etc. to the lessor or trust beneficiary more than 60 days prior to the date on which it desires to purchase the Property, etc., the lessor or trust beneficiary has 60 days after receipt of said notice to negotiate in good faith with the lessee or a person designated by the lessee only for the conclusion of a sales agreement for the Property, etc. (However, such notice may only be given every certain period).</li> </ul>					

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

## (3) Reasons for the Acquisition

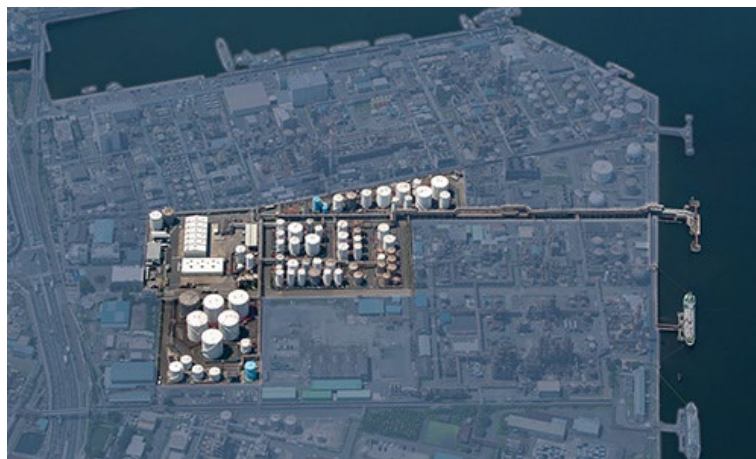
### ■ Long-term Usability (Likelihood of Long-term Use by Current Tenant)

- Long-term usability backed by the fixed-term land lease contract for business purpose with 49 years and 11 months (non-cancellable in principle, negotiable rent revision every five years).
- The tenant started operation at the facility in 1973 and currently operates 67 tanks (four tanks were reconstructed in 2018), making it an important base for the tenant that plays an important role in supporting logistics in the Tokyo metropolitan area.

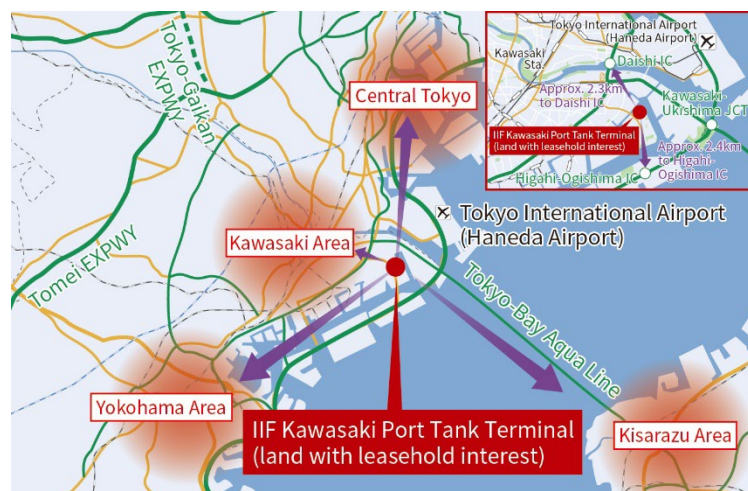
### ■ Versatility (Versatility as a Real Estate Asset)

#### <Location>

- Located approximately 2.4 km from the Higashi Ogishima Interchange on the Bayshore Route of the Metropolitan Expressway, which provides good traffic access to major roads.
- Rare and highly competitive zoning district where chemical storage facilities can be built and there is a cluster of chemical plants and industrial complexes for the major chemical and energy industries in the surrounding area.
- Located in the Port of Kawasaki, an international strategic port, with a berthing water depth of 10.4m draft for efficient marine transportation.



(Note) IIF plans to acquire land only and those other than the Anticipated Acquisition to be acquired by IIF are included in the photograph above.



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## 【IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)】

### (1) Summary of Property

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	-
Anticipated acquisition date	December 11, 2023		Evaluation date	-
Anticipated acquisition price	134 million yen		Immediate repair cost	-
Appraisal value	162 million yen		Short-term repair cost	-
Appraiser	Japan Real Estate Institute		Long-term repair cost	-
Date of trust beneficiary rights set	December 11, 2023		Annualized average repair cost	-
Trustee	SMBC Trust Bank Ltd.			
Trust period end	November 30, 2033			
Location	2624-102, Aza Jizoumori, Riemon, Yaizu-shi, Shizuoka, Japan and others			
Land area	10,967.00 m <sup>2</sup> (Note)	Building structure / stories		
Zoning	Industrial exclusive area			
Floor area ratio /building-to-land ratio	200%/60%		-	
Type of Possession	Ownership			
Earthquake PML	-	Completion	-	
Collateral	None	Gross floor area	-	
		Type of building	-	
Special notes	<ul style="list-style-type: none"> <li>• Before acquiring the property, IIF requested Field Partners Co., Ltd. to conduct a soil contamination risk assessment. As a result, lead was detected at the subject land in concentrations exceeding the leachate standard. However, a well on the subject land is not used for drinking and the entry of outsiders into the subject land is unlikely due to the restricted access to the site by other than related parties. Therefore, the possibility of health hazards is evaluated to be low because there is the suppression of the possibility of human exposure assumed by the Soil Contamination Countermeasures Law. In addition, lead is a cationic and low-mobility substance in the soil environment, and its concentration in groundwater decreases due to dispersion. Therefore, the possibility of groundwater contamination from lead-non-compliant soil on the subject land and its impact on the surrounding area is evaluated to be relatively low.</li> <li>• Boundary confirmation has not been executed for the boundary with the adjacent lands.</li> </ul>			

(Note) The land is located in the Harbor District.

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## (2) Description of Leases Relating to Anticipated Acquisition

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) <sup>(Note)</sup>	Period of contract	Deposit <sup>(Note)</sup>
Central Tank Terminal Co., Ltd.	1	10,967.00 m <sup>2</sup> (100.0%)	-	49 years 11 months (from December 11, 2023 until November 10, 2073)	-
<b>Revision of rent or termination during the lease period</b>					
<p>● Central Tank Terminal Co., Ltd.</p> <p>Contract Type: Fixed-term land lease contract for business purpose</p> <p>Contract Renewal and Revision:</p> <ul style="list-style-type: none"> <li>· The lessor and lessee shall not revise the rent for five years from the delivery date (from December 11, 2023 to December 10, 2028) (hereinafter referred to as the "Rent Non-Revision Period"). However, after the Rent Non-Revision Period, the lessor or lessee may request to discuss the rent revision for the month following the month that includes the corresponding date every five years after the delivery date. In addition, when proposing to discuss a rent revision, the proposer is required to present an expert report on economic conditions and the market rent rate, etc., and to explain the changes in the market rent around the land due to increases or decreases in the price of surrounding land and other changes in economic conditions after the date of conclusion of the agreement.</li> <li>· The lessor and lessee are not allowed to terminate the contract before the end of the contract period, except in the case of default, petition for compulsory execution, etc., resolution to close or dissolve the business, or other reasons for termination of the contract.</li> </ul> <p>Other Matters:</p> <ul style="list-style-type: none"> <li>· In the event that the lessor or a trust beneficiary intends to sell the property or trust beneficiary interests in the Property (the "Property, etc."), the lessor must notify the lessee of the terms of the sale of Property, etc. in writing before any third party, either by the lessor or by the trust beneficiary. If the lessee notifies the lessor or the trust beneficiary in writing of its intention to purchase the Property, etc. on the terms and conditions set forth in such notice within 30 days of receipt of such notice, the lessor or the trust beneficiary shall sell the Property, etc. to the lessee or its designee. In addition, in the event that the lessee gives written notice of its desire to purchase the Property, etc. to the lessor or trust beneficiary more than 60 days prior to the date on which it desires to purchase the Property, etc., the lessor or trust beneficiary has 60 days after receipt of said notice to negotiate in good faith with the lessee or a person designated by the lessee only for the conclusion of a sales agreement for the Property, etc. (However, such notice may only be given every certain period).</li> </ul>					

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

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## (3) Reasons for the Acquisition

### ■ Long-term Usability (Likelihood of Long-term Use by Current Tenant)

- Long-term usability backed by the fixed-term land lease contract for business purpose with 49 years and 11 months (non-cancellable in principle, negotiable rent revision every five years).
- The tenant started operation at the facility in 2017, and currently operates 10 tanks, as an important base for the tenant that contributes as an important stocking point for its customers in the Suruga Bay neighborhood and in and out of the prefecture.

### ■ Versatility (Versatility as a Real Estate Asset)

#### <Location>

- Located approximately 5.0 km from the Oigawa-Yaizu-Fujieda smart interchange on the Tomei Expressway, which provides availability for wide-area deliveries throughout Shizuoka Prefecture, the Tokyo metropolitan area, and the Nagoya metropolitan area via the expressway.
- The Oigawa Port, where the property is located, is a Yaizu City-owned port built by cutting into the coast of the “Oigawa River”, a class 1st river, and functions as a logistics hub for central Shizuoka Prefecture, mainly transporting bulk cargoes (raw materials).



(Note) IIF plans to acquire land only and those other than the Anticipated Acquisition to be acquired by IIF are included in the photograph above.





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## 【IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)】

### (1) Summary of Property

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	-
Anticipated acquisition date	December 11, 2023		Evaluation date	-
Anticipated acquisition price	586 million yen		Immediate repair cost	-
Appraisal value	624 million yen		Short-term repair cost	-
Appraiser	Japan Real Estate Institute		Long-term repair cost	-
Date of trust beneficiary rights set	December 11, 2023		Annualized average repair cost	-
Trustee	SMBC Trust Bank Ltd.			
Trust period end	November 30, 2033			
Location	1-7, Setomachi, Moji-ku, Kitakyushu-shi, Fukuoka, Japan and others			
Land area	33,789.08 m <sup>2</sup> (Note)	Building structure / stories		
Zoning	Industrial area			
Floor area ratio /building-to-land ratio	200%/60%		-	
Type of Possession	Ownership			
Earthquake PML	-	Completion	-	
Collateral	None	Gross floor area	-	
		Type of building	-	
Special notes	<ul style="list-style-type: none"> <li>・ Before acquiring the property, IIF requested Field Partners Co., Ltd. to conduct a soil contamination risk assessment. As a result, trichloroethylene, arsenic, and fluorine are considered present in concentrations exceeding elution standards and lead content standards. However, the groundwater is not used for drinking and the entry of outsiders into the subject land is unlikely due to the restricted access to the site by other than related parties. Therefore, the possibility of health hazards is evaluated to be low because there is the suppression of the possibility of human exposure assumed by the Soil Contamination Countermeasures Law. In addition, arsenic and fluorine have no history of use on the land. Furthermore, the land was reclaimed in 1962 and is likely to have been filled with dredged soil, and the seawater contamination rate is confirmed at 30% to 50% at observation wells. Moreover, arsenic and fluorine are also found in seawater. Therefore, it is considered that the arsenic and fluorine contamination of soil and groundwater on the subject land is not caused by the subject land, but by the reclaimed material or seawater. Additionally, an excess of the soil elution standard for trichloroethylene is confirmed in light of the current standard, but it is also confirmed that it meets the groundwater standard. Thus, the contamination is not considered to be caused by the subject land and does not affect the surrounding area.</li> <li>・ Boundary confirmation has not been executed for the boundary with the adjacent lands.</li> </ul>			

(Note) The land is located in the Harbor District.

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## (2) Description of Leases Relating to Anticipated Acquisition

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) <sup>(Note)</sup>	Period of contract	Deposit <sup>(Note)</sup>
Central Tank Terminal Co., Ltd.	1	33,789.08 m <sup>2</sup> (100.0%)	-	49 years 11 months (from December 11, 2023 until November 10, 2073)	-
<b>Revision of rent or termination during the lease period</b>					
<p>● Central Tank Terminal Co., Ltd.</p> <p>Contract Type: Fixed-term land lease contract for business purpose</p> <p>Contract Renewal and Revision:</p> <ul style="list-style-type: none"> <li>· The lessor and lessee shall not revise the rent for five years from the delivery date (from December 11, 2023 to December 10, 2028) (hereinafter referred to as the "Rent Non-Revision Period"). However, after the Rent Non-Revision Period, the lessor or lessee may request to discuss the rent revision for the month following the month that includes the corresponding date every five years after the delivery date. In addition, when proposing to discuss a rent revision, the proposer is required to present an expert report on economic conditions and the market rent rate, etc., and to explain the changes in the market rent around the land due to increases or decreases in the price of surrounding land, and other changes in economic conditions after the date of conclusion of the agreement.</li> <li>· The lessor and lessee are not allowed to terminate the contract before the end of the contract period, except in the case of default, petition for compulsory execution, etc., resolution to close or dissolve the business, or other reasons for termination of the contract.</li> </ul> <p>Other Matters:</p> <ul style="list-style-type: none"> <li>· In the event that the lessor or a trust beneficiary intends to sell the property or trust beneficiary interests in the Property (the "Property, etc."), the lessor must notify the lessee of the terms of the sale of Property, etc. in writing before any third party, either by the lessor or by the trust beneficiary. If the lessee notifies the lessor or the trust beneficiary in writing of its intention to purchase the Property, etc. on the terms and conditions set forth in such notice within 30 days of receipt of such notice, the lessor or the trust beneficiary shall sell the Property, etc. to the lessee or its designee. In addition, in the event that the lessee gives written notice of its desire to purchase the Property, etc. to the lessor or trust beneficiary more than 60 days prior to the date on which it desires to purchase the Property, etc., the lessor or trust beneficiary has 60 days after receipt of said notice to negotiate in good faith with the lessee or a person designated by the lessee only for the conclusion of a sales agreement for the Property, etc. (However, such notice may only be given every certain period).</li> </ul>					

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

## (3) Reasons for the Acquisition

### ■ Long-term Usability (Likelihood of Long-term Use by Current Tenant)

- Long-term usability backed by the fixed-term land lease contract for business purpose with 49 years and 11 months (non-cancellable in principle, negotiable rent revision every five years).
- The tenant started operation at the facility in 2008, currently operates 30 tanks, and installed a warehouse for hazardous goods and multiple workstations (equipment for changing the shape of packages) to provide attentive customer service, making it an important base for the tenant.

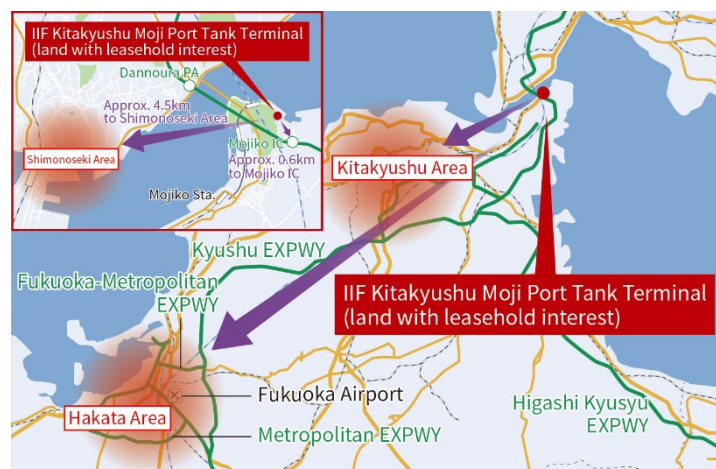
### ■ Versatility (Versatility as a Real Estate Asset)

#### <Location>

- Located approximately 0.6 km from the Mojiko Interchange on the Kanmon Expressway, which provides good access to the expressway and makes it possible to cover the industrial area in the northern part of Kitakyushu by ordinary roads.
- Function as a relay base for wide-area transportation between Kyushu and Honshu due to close to the Tachiura Container Terminal, a logistics facility cluster.
- Due to a tenant's pier where ships can berth, available not only for land transportation but also for ship transportation.



(Note) IIF plans to acquire land only and those other than the Anticipated Acquisition to be acquired by IIF are included in the photograph above.



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## 4. Profile of Seller

(1) Name of company	Central Tank Terminal Co., Ltd.
(2) Head office address	2-2-1, Horidome-Cho, Nihonbashi, Chuo-ku, Tokyo, Japan
(3) Representative	Yasuka Miyakawa, President & CEO
(4) Main line of business	Public tank terminal and related businesses 1. Storage and warehousing of petroleum and chemicals 2. Design and management of tanks and cargo handling machinery 3. Storage of transportation-related equipment and rental 4. Freight trucking and cargo handling business 5. Business related to each of the preceding items 6. Investment and financing for each of the preceding items
(5) Capital	400 million yen (as of December 31, 2022)
(6) Date of establishment	January 20, 1984
(7) Net assets	18,290 million yen (as of December 31, 2022)
(8) Total assets	42,961 million yen (as of December 31, 2022)
(9) Large shareholder (Shareholding ratio)	KKR Group (100%) (as of November 22, 2023)
(10) Relation with IIF or the Asset Manager	Other than those provided in "5. Summary of Property Acquirer, etc." below, 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. Status of Sellers, etc.

Central Tank Terminal Co., Ltd. falls under the category of an interested party in accordance with the Interested-Party Transaction Rules of the Asset Manager (the "Interested Party"). The acquisition has been subject to necessary deliberation and resolution at the Compliance Committee and Investment Committee of the Asset Manager in accordance with the Interested-Party Transaction Rules.

In the table below, the following information is provided for each of the Anticipated Acquisition: (1) Name of the Interested Party, (2) Relationship with the Interested Party, (3) Acquisition background and reason, (4) Acquisition price, and (5) Acquisition date.

### 【IIF Kawasaki Port Tank Terminal (land with leasehold interest)】

	Previous owner/trust beneficiary	Second previous owner/trust beneficiary
(1) Name of the Interested Party	Central Tank Terminal Co., Ltd.	Other than the Interested Party
(2) Relationship with the Interested Party	Portfolio company of the fund formed by foreign affiliated entity of KKR Group, the sponsor of the Asset Manager	
(3) Acquisition background and reason	Business purpose	
(4) Acquisition price	_ (Note)	
(5) Acquisition date	February, 1973	

(Note) Omitted as it has been owned for more than one year.

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## 【IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)】

	Previous owner/trust beneficiary	Second previous owner/trust beneficiary
(1) Name of the Interested Party	Central Tank Terminal Co., Ltd.	Other than the Interested Party
(2) Relationship with the Interested Party	Portfolio company of the fund formed by foreign affiliated entity of KKR Group, the sponsor of the Asset Manager	
(3) Acquisition background and reason	Business purpose	
(4) Acquisition price	_ (Note)	
(5) Acquisition date	October, 2017	

(Note) Omitted as it has been owned for more than one year.

## 【IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)】

	Previous owner/trust beneficiary	Second previous owner/trust beneficiary
(1) Name of the Interested Party	Central Tank Terminal Co., Ltd.	Other than the Interested Party
(2) Relationship with the Interested Party	Portfolio company of the fund formed by foreign affiliated entity of KKR Group, the sponsor of the Asset Manager	
(3) Acquisition background and reason	Business purpose	
(4) Acquisition price	_ (Note)	
(5) Acquisition date	August, 2008 (Additional acquisitions in May 2017 and August 2018)	

(Note) Omitted as it has been owned for more than one year.

### 6. Profile of Broker

None.

### 7. Means of Payment

The Anticipated Acquisition will be financed by new loans and cash reserves. For the details of new loans, please refer to “Notice Concerning New Debt Financing” announced today. In addition, IIF plans to conduct a lump-sum settlement upon delivery of the Anticipated Acquisition.

### 8. Date of Acquisition

Property name	Contract signing date	Payment date (scheduled)	Delivery date (scheduled)
IIF Kawasaki Port Tank Terminal (land with leasehold interest)	November 30, 2023	December 11, 2023	December 11, 2023
IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)	November 30, 2023	December 11, 2023	December 11, 2023
IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)	November 30, 2023	December 11, 2023	December 11, 2023

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## 9. Future Outlook of IIF

The acquisition of the Anticipated Acquisition has no material impact on the forecasts of operating status for the period ending January 2024 (the 33rd fiscal period: August 1, 2023 to January 31, 2024) and the period ending July 2024 (the 34th fiscal period: February 1, 2024 to July 31, 2024), thus the forecasts of operating status for the same fiscal periods remain unchanged.

## 10. Summary of Appraisal Report

### 【IIF Kawasaki Port Tank Terminal (land with leasehold interest)】

Appraiser	Japan Real Estate Institute
Survey value	7,490 million yen
Survey value as of:	October 31, 2023

Item	Value	Notes
Indicated value by income approach	7,490 million yen	
DC method by the adjusted Inwood method	7,480 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	275 million yen	
Operating profit from lump-sum payments	1 million yen	
Capital expenditures	- million yen	
Net income	276 million yen	
Discount rate of adjusted Inwood method	3.7 %	
DCF method	7,490 million yen	
Discount rate	3.2 %	
Discount rate of the terminal value	3.8 %	
Indicated value based on cost approach	6,280 million yen	
Proportion of land	- %	
Proportion of building	- %	

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.

# Industrial & Infrastructure Fund Investment Corporation

## 【IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)】

Appraiser	Japan Real Estate Institute
Survey value	162 million yen
Survey value as of:	October 31, 2023

Item	Value	Notes
Indicated value by income approach	162 million yen	
DC method by the adjusted Inwood method	162 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	8 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	- million yen	
Net income	8 million yen	
Discount rate of adjusted Inwood method	5.0 %	
DCF method	161 million yen	
Discount rate	4.7 %	
Discount rate of the terminal value	5.1 %	
Indicated value based on cost approach	140 million yen	
Proportion of land	- %	
Proportion of building	- %	

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.

# Industrial & Infrastructure Fund Investment Corporation

## 【IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)】

Appraiser	Japan Real Estate Institute
Survey value	624 million yen
Survey value as of:	October 31, 2023

Item	Value	Notes
Indicated value by income approach	624 million yen	
DC method by the adjusted Inwood method	626 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	31 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	- million yen	
Net income	31 million yen	
Discount rate of adjusted Inwood method	5.0 %	
DCF method	621 million yen	
Discount rate	4.7 %	
Discount rate of the terminal value	5.1 %	
Indicated value based on cost approach	541 million yen	
Proportion of land	- %	
Proportion of building	- %	

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.



# Industrial & Infrastructure Fund Investment Corporation

## 11. Various indices of Anticipated Acquisition

### 【IIF Kawasaki Port Tank Terminal (land with leasehold interest)】

NOI yield	3.9 %	NOI	275 million yen
NOI yield after depreciation	3.9 %	Depreciation	0 million yen

### 【IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest)】

NOI yield	6.0 %	NOI	8 million yen
NOI yield after depreciation	6.0 %	Depreciation	0 million yen

### 【IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest)】

NOI yield	5.3 %	NOI	31 million yen
NOI yield after depreciation	5.3 %	Depreciation	0 million yen

### 【Reference: Definitions of Individual Calculation Formulas】

Definitions of Individual Calculation Formulas regarding “NOI yield”, “NOI yield (after depreciation)” referred to in Note 4 on Page 1 “1. Summary of the Anticipated Acquisition” and “NOI yield”, “NOI yield (after depreciation)”, “NOI” and “Depreciation” referred to in “11. Various indices of Anticipated Acquisition” above.

Each figure is calculated as follows.

NOI yield = NOI\* / Anticipated acquisition price\*\*

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

\* With respect to the calculation of NOI, each NOI of Anticipated Acquisitions is calculated using the net operating income in the direct capitalization method indicated in each appraisal report as of October 31, 2023.

\*\* Anticipated acquisition price is set forth in the sales value of the Anticipated Acquisition in the purchase agreements (excluding acquisition-related costs, fixed asset tax, urban planning tax and consumption tax).

\*\*\* The depreciation of the Anticipated Acquisition is an estimated figure calculated by using the depreciation rates under the straight-line method in proportion to the useful life as with other 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/>

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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.*