

# Industrial & Infrastructure Fund Investment Corporation

February 15, 2024

To all concerned parties:

Investment Corporation  
**Industrial & Infrastructure Fund Investment Corporation**  
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## **Notice Concerning Revised Forecast & Distributions for the Jan. 2024 FP and the July 2024 FP, and Forecast & Distributions for the Jan. 2025 FP**

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today its revision to the forecast of operating results and distributions for the fiscal period ended January 2024 (33rd fiscal period; from August 1, 2023 to January 31, 2024), and the fiscal period ending July 2024 (34th fiscal period; from February 1, 2024 to July 31, 2024) previously announced in the “Summary of Financial Results” dated September 13, 2023. In addition, IIF newly announces today its forecast of operating results and distributions for the fiscal period ending January 2025 (35th fiscal period; from August 1, 2024 to January 31, 2025). Details are as follows.

### 1. Revision of forecast of operating results and distributions for the fiscal period ended January 2024 (33rd fiscal period; from August 1, 2023 to January 31, 2024)

	Operating Revenue (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Distributions per Unit (including Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions per Unit (excluding Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions in Excess of Retained Earnings per Unit (yen)
Previous forecast (A)	18,405	8,011	7,070	7,068	3,260	3,260	-
Revised forecast (B)	18,214	8,068	7,121	7,119	3,380	3,368	12
Variance (B - A)	(190)	+57	+51	+51	+120	+108	+12
Rate of variance	(1.0)%	+0.7%	+0.7%	+0.7%	+3.7%	+3.3%	-

#### Disclaimer:

This press release is intended as general information for the press regarding IIF’s revision of forecast of operating results and distributions for the January 2024 (33rd) and July 2024 (34th) fiscal period, as well as announcement of forecast of operating results and distributions for the January 2025 (35th) fiscal period and has not been prepared for the purpose of solicitation of investment.

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## 2. Revision of forecast of operating results and distributions for the fiscal period ending July 2024 (34th fiscal period; from February 1, 2024 to July 31, 2024)

	Operating Revenue (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Distributions per Unit (including Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions per Unit (excluding Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions in Excess of Retained Earnings per Unit (yen)
Previous forecast (A)	18,075	7,714	6,777	6,775	3,225	3,206	19
Revised forecast (B)	20,889	9,729	8,371	8,369	3,390	3,299	91
Variance (B - A)	+2,814	+2,014	+1,593	+1,593	+165	+93	+72
Rate of variance	+15.6%	+26.1%	+23.5%	+23.5%	+5.1%	+2.9%	+378.9%

## 3. Forecast of operating results and distributions for the fiscal period ending January 2025 (35th fiscal period; from August 1, 2024 to January 31, 2025)

	Operating Revenue (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Distributions per Unit (including Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions per Unit (excluding Distributions in Excess of Retained Earnings per Unit) (yen)	Distributions in Excess of Retained Earnings per Unit (yen)
Fiscal period ending January 2025 (35th)	20,948	9,960	8,487	8,485	3,390	3,345	45

(Note 1) "Previous forecast" refers to the forecast of operating results and distributions for the fiscal period ended January 2024 (33rd) & ending July 2024 (34th) as announced in "Summary of Financial Results for the Six Months ended July 31, 2023" dated September 13, 2023 and "Investor Presentation for the July 2023 (32nd) Period".

(Note 2) Investment units issued and outstanding as of the end of the fiscal period ended January 2024 (33rd fiscal period): 2,113,516 units (previous forecast: 2,113,516 units)

Forecast of investment units issued and outstanding as of the end of the fiscal period ending July 2024 (34th fiscal period): 2,536,216 units (previous forecast: 2,113,516 units)

Forecast of investment units issued and outstanding as of the end of the fiscal period ending January 2025 (35th fiscal period): 2,536,216 units

The above assumes full issuance of a total of 422,700 new investment units, consisting of 409,609 new investment units (maximum) to be issued in connection with the public offering (the total of the number of investment units to be underwritten and purchased by the domestic underwriters in the domestic offering and the overseas underwriters in the overseas offering and the number of investment units to be additionally issued, subject to the right to purchase granted to the overseas underwriters in the overseas offering) and 13,091 new investment units (maximum) to be issued in connection with third-party allotment both of which were determined at the board of directors meeting held on February 15, 2024, in addition to the 2,113,516 issued investment units outstanding as of February 15, 2024.

(Note 3) The forecast figures for the fiscal period ended January 2024 (33rd fiscal period), the fiscal period ending July 2024 (34th fiscal period) and the fiscal period ending January 2025 (35th fiscal period) represent current calculations based on the assumptions provided in the Attachment "Assumptions underlying the forecasts of operating results and distributions for the fiscal period ended January 2024 (33rd fiscal period), the fiscal period ending July 2024 (34th fiscal period) and the fiscal period ending January 2025 (35th fiscal period)". The actual operating revenue, operating income, ordinary income, net income, distributions per unit (including distributions in excess of retained earnings per unit), distributions per unit (excluding distributions in excess of retained earnings per unit) and distributions in excess of retained earnings per unit may deviate significantly from the forecasts due to the deviation from the assumptions caused by factors such as future acquisitions and sales of real estate, changes in rent income as a result of changes in the tenants, changes in the investment management environment such as the unexpected need to perform repairs and fluctuations in interest rates and actual number of investment units to be issued and the issue price of new investment units to be issued, among other factors. As such, the revisions to forecast and forecast described in this press release do not guarantee any future results.

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(Note 4) Forecast of distributions in excess of retained earnings per unit regards distributions in excess of retained earnings from allowance for temporary difference adjustment.

(Note 5) The above forecasts may be revised if the degree of deviation with subsequent forecasts exceeds a certain level.

(Note 6) Digits below the unit are truncated. The same shall apply hereinafter.

## 4. Reasons for the revision and the announcement

As announced in “Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Rights” and “Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)”, IIF will acquire 28 properties and an equity investment in a silent partnership, and as announced in “Notice Concerning Disposition of Two Properties 【IIF Totsuka Technology Center (Land with leasehold interest) and IIF Yokohama Tsuzuki R&D Center】”, dispose two properties. In addition, as announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”, “Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Rights”, “Notice Concerning New Debt Financing” and “Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)” IIF will acquire the 28 properties mentioned above with proceeds from the domestic offering and overseas offering as well as funds raised through new borrowings and cash on hand, and will acquire the equity investment in a silent partnership mentioned above with proceeds from the domestic offering and overseas offering as well as cash on hand.<sup>(Note)</sup>

As a result, IIF changed the assumptions underlying the previous forecast, including the expectation that operating revenues will exceed the previous forecast, and has decided to revise the forecast of operating results and distributions for the fiscal period ending July 2024 (34th) and announce the forecast of operating results and distributions for the fiscal period ending January 2025 (35th) based on the same assumptions.

Furthermore, IIF has decided to revise the forecast of operating results and distributions for the fiscal period ended January 2024 (33rd) based on the current assumptions.

(Note) If the issue price determination date is set on February 26, 2024, the proceeds from the domestic offering and the overseas offering will not be used in the acquisition for the equity investment in a silent partnership. Please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and “Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)” (as announced today) for specifics.

(Reference) Other press releases announced today:

“Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”

“Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Rights”

“Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)”

“Notice Concerning Disposition of Two Properties 【IIF Totsuka Technology Center (Land with leasehold interest) and IIF Yokohama Tsuzuki R&D Center】”

“Notice Concerning New Debt Financing”

About IIF: Industrial & Infrastructure Fund Investment Corporation (“IIF”) is the first J-REIT focused on acquiring and operating both industrial and infrastructure properties in Japan—properties that play a vital role in the Japanese economy, and for which IIF expects to see stable demand in the mid to long term. With respect to industrial properties, IIF intends to invest in a diverse portfolio of properties, including manufacturing and research and development facilities.

Please refer to our website at <https://www.iif-reit.com/english/>

Contacts: For the further information relating to this press release as well as IIF and its asset manager, please feel free to contact Mr. Hidehiko Ueda (Telephone Number: 81-3-5293-7091), Head of Industrial Division at KJR Management, the 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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【Attachment】

Assumptions underlying the forecasts of operating results and distributions for the fiscal period ended January 2024 (33rd fiscal period), the fiscal period ending July 2024 (34th fiscal period) and the fiscal period ending January 2025 (35th fiscal period)

Item	Assumption																												
Accounting period	33rd Fiscal Period From August 1, 2023 to January 31, 2024 (184 days) 34th Fiscal Period From February 1, 2024 to July 31, 2024 (182 days) 35th Fiscal Period From August 1, 2024 to January 31, 2025 (184 days)																												
Assets owned	<p>Regarding the 33rd fiscal period, it is assumed that IIF has owned the 78 properties of real estate and real estate trust beneficiary rights IIF owns as of the end of July 2023, and that IIF acquires the following Properties Acquired and disposes Properties Dispositioned as follows.</p> <p style="text-align: center;">&lt;Properties Acquired (Real Estate Trust Beneficiary Rights)&gt;</p> <table border="1" style="width: 100%;"> <tbody> <tr> <td>IIF Okazaki Manufacturing Center (Building)</td> <td>Acquired on August 1, 2023</td> </tr> <tr> <td>IIF Kawasaki Port Tank Terminal (Land with leasehold interest)</td> <td>Acquired on December 11, 2023</td> </tr> <tr> <td>IIF Shizuoka Oigawa Port Tank Terminal (Land with leasehold interest)</td> <td>Acquired on December 11, 2023</td> </tr> <tr> <td>IIF Kitakyushu Moji Port Tank Terminal (Land with leasehold interest)</td> <td>Acquired on December 11, 2023</td> </tr> <tr> <td>IIF Atsugi Logistics Center III (Redevelopment)</td> <td>Acquired on December 25, 2023</td> </tr> </tbody> </table> <p style="text-align: center;">&lt;Property Disposed (Real Estate Trust Beneficiary Rights)&gt;</p> <table border="1" style="width: 100%;"> <tbody> <tr> <td>IIF Kobe Logistics Center (40% co-ownership interest)</td> <td>Disposed on January 19, 2024</td> </tr> </tbody> </table> <p>Regarding the 34th fiscal period and 35th fiscal period, in addition to the real estate and real estate trust beneficiary rights for the 81 properties owned by IIF as of February 15, 2024, it is assumed that IIF acquires the following Anticipated Acquisitions, including both real estate trust beneficiary rights and equity interest in a silent partnership, and disposes the following Anticipated Dispositions.</p> <p>IIF has concluded the purchase and sale agreement as well as the silent partnership agreement concerning all of the following Anticipated Acquisitions and Anticipated Dispositions, and each acquisition and disposition date is as follows.</p> <p style="text-align: center;">&lt;Anticipated Acquisitions (Real Estate Trust Beneficiary Rights)&gt;</p> <table border="1" style="width: 100%;"> <tbody> <tr> <td>IIF Kitakyushu Logistics Center I</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Kitakyushu Logistics Center II</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Kitakyushu Logistics Center III</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Fukuoka Hisayama Logistics Center</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Tosu Logistics Center II</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Toyohashi Logistics Center</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Komaki Logistics Center (Land with leasehold interest)</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> <tr> <td>IIF Kasugai Logistics Center</td> <td>Anticipated to be acquired on March 4, 2024</td> </tr> </tbody> </table>	IIF Okazaki Manufacturing Center (Building)	Acquired on August 1, 2023	IIF Kawasaki Port Tank Terminal (Land with leasehold interest)	Acquired on December 11, 2023	IIF Shizuoka Oigawa Port Tank Terminal (Land with leasehold interest)	Acquired on December 11, 2023	IIF Kitakyushu Moji Port Tank Terminal (Land with leasehold interest)	Acquired on December 11, 2023	IIF Atsugi Logistics Center III (Redevelopment)	Acquired on December 25, 2023	IIF Kobe Logistics Center (40% co-ownership interest)	Disposed on January 19, 2024	IIF Kitakyushu Logistics Center I	Anticipated to be acquired on March 4, 2024	IIF Kitakyushu Logistics Center II	Anticipated to be acquired on March 4, 2024	IIF Kitakyushu Logistics Center III	Anticipated to be acquired on March 4, 2024	IIF Fukuoka Hisayama Logistics Center	Anticipated to be acquired on March 4, 2024	IIF Tosu Logistics Center II	Anticipated to be acquired on March 4, 2024	IIF Toyohashi Logistics Center	Anticipated to be acquired on March 4, 2024	IIF Komaki Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024	IIF Kasugai Logistics Center	Anticipated to be acquired on March 4, 2024
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(Land with leasehold interest)	
IIF Sapporo Kitahiroshima Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Sapporo Logistics Center II	Anticipated to be acquired on March 4, 2024
IIF Sendai Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Sendai Iwanuma Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Tsukuba Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Musashimurayama Logistics Center II	Anticipated to be acquired on March 4, 2024
IIF Shonan Logistics Center II (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Tsuchiura Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Hadano Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Yokohama Sachiura Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Narashino Logistics Center III (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Higashimatsuyama Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Yokosuka Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Sagamihara Logistics Center (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Sakura Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Hyogo Sanda Logistics Center I (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Osaka Konohana Logistics Center II (Land with leasehold interest)	Anticipated to be acquired on March 4, 2024
IIF Osaka Ibaraki Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Shiga Otsu Logistics Center	Anticipated to be acquired on March 4, 2024
IIF Toyama Logistics Center	Anticipated to be acquired on March 4, 2024
<Anticipated Acquisitions (Equity Interest in a Silent Partnership)>	
Equity Interest in a Silent Partnership (HK Logistics Godo Kaisha)	Anticipated to be acquired on February 29, 2024
<Anticipated Dispositions (Real Estate Trust Beneficiary Rights)>	
IIF Yokohama Tsuzuki R&D Center	Anticipated to be disposed on February 29, 2024
IIF Kobe Logistics Center (25% co-ownership interest)	Anticipated to be disposed on March 22, 2024
IIF Totsuka Technology Center (Land with leasehold interest) (30% co-ownership interest)	Anticipated to be disposed on March 29, 2024
IIF Totsuka Technology Center (Land with leasehold	Anticipated to be disposed

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	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;"><i>Interest) (35% co-ownership interest)</i></td> <td style="width: 30%;">on November 29, 2024</td> </tr> </table> <p>It is assumed that there will be no changes in the properties, except the Anticipated Acquisitions and the Anticipated Dispositions stated above, until the end of January 2025; however, changes may occur due to the acquisition or disposition of other properties, etc. in actual.</p>	<i>Interest) (35% co-ownership interest)</i>	on November 29, 2024
<i>Interest) (35% co-ownership interest)</i>	on November 29, 2024		
Interest-bearing debt	<p>The total amount of interest-bearing debt as of February 15, 2024 is 220,283 million yen, consisting of long-term debts (including those loans that will become due within one year) of 202,583 million yen, short-term debts of 3,000 million yen and investment corporation bonds (including those that will be redeemed within one year) of 14,700 million yen.</p> <p>With regard to the long-term debts of 8,000 million yen, short-term debts of 3,000 million yen and investment corporation bonds of 2,000 million yen scheduled to mature during the 34th fiscal period, and the long-term debts of 11,800 million yen scheduled to mature during the 35th fiscal period, IIF plans to refinance them for the same amount of long-term debts, etc.</p> <p>In addition, it is assumed that IIF implements long-term debts and short-term debts financing in the amount of 62,000 million yen in total for the purpose of acquiring the Anticipated Acquisitions (Real Estate Trust Beneficiary Rights), as mentioned above in “Assets owned”, on February 29, 2024.</p> <p>As a result, it is assumed that the total amount of interest-bearing debt as of the end of July 2024 and January 2025 is both 282,283 million yen.</p>		

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Item	Assumption		
Operating revenues	<p>Regarding the 33rd fiscal period, IIF has calculated the rent revenue taking into consideration characteristics of individual properties and changes in the properties based on effective lease agreements during the 33rd fiscal period.</p> <p>Regarding the 34th and 35th fiscal periods, IIF has estimated the rent revenue taking into consideration the market environment, characteristics of individual properties, competitiveness of properties and status of individual tenants including plans to vacate, etc. based on effective lease agreements during the 34th fiscal period and the 35th fiscal period. It is assumed that there is no arrears or non-payments of rent during the 34th fiscal period and the 35th fiscal period based on the assumptions described in “Assets owned” above.</p> <p>In addition, with regard to the following one property that is currently undergoing redevelopment project, the following assumption apply.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">IIF Hamura Logistics Center</td> <td style="width: 50%;">Assumption that no rental income will be generated until the end of the 35th fiscal period</td> </tr> </table> <p>In addition, it is assumed that the gain on sales from the Anticipated Dispositions is approximately 980 million yen in the 33rd fiscal period, approximately 1,417 million yen in the 34th fiscal period and approximately 997 million yen in the 35th fiscal period.</p>	IIF Hamura Logistics Center	Assumption that no rental income will be generated until the end of the 35th fiscal period
IIF Hamura Logistics Center	Assumption that no rental income will be generated until the end of the 35th fiscal period		
Operating expenses	<p>Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 33rd fiscal period are forecasted to be approximately 1,426 million yen and approximately 789 million yen, respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 34th fiscal period are forecasted to be approximately 1,434 million yen and approximately 929 million yen, respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 35th fiscal period are forecasted to be approximately 1,453 million yen and approximately 888 million yen, respectively.</p> <p>Fixed property tax and city planning tax etc., which are to be settled according to the number of days owned by the previous owner in connection with the new acquisition of the property, are not recorded as expenses because they are included in the acquisition cost, but are to be recorded as expenses from the following year. Accordingly, fixed property tax, city planning tax, and depreciable property tax relating to the Anticipated Acquisitions (Real Estate Trust Beneficiary Rights) as described in the above “Assets owned” will be recorded as expenses from the 36th fiscal period.</p> <p>Depreciations including ancillary expenses for the 33rd fiscal period, 34th fiscal period and the 35th fiscal period are calculated based on the straight-line method and are estimated to be approximately 2,104 million yen, 2,822 million yen, and 2,557 million yen respectively.</p> <p>Calculation of external outsourcing expenses (property management fees, building management fees, etc.) is based on actual results thus far.</p> <p>In the 33rd fiscal period, impairment loss related to IIF Yokohama Tsuzuki R&amp;D Center, which is scheduled to be disposed in 34th fiscal period, is expected to be recorded at 197 million yen. In addition, the impact on distributions per unit is expected to be minimal due to the implementation of a distribution in excess of retained earnings (Allowance for Temporary Difference Adjustments (“ATA”)) derived from tax discrepancy for excess of accounting income regarding the depreciation expenses.</p>		
Non-operating expenses	<p>Based on the assumptions of “Interest-bearing debt” stated above, it is assumed that the non-operating expenses (the interest expenses, other debt-related expenses, etc.) for the 33rd fiscal period, 34th fiscal period and for the 35th fiscal period are to be approximately 947 million yen, 1,358 million yen, and 1,473 million yen, respectively.</p> <p>It is assumed that the amortization of the cost concerning the issuance of new investment units for the 33rd fiscal period, 34th fiscal period and for the 35th fiscal period is approximately 8 million yen, 45 million yen, and 45 million yen respectively.</p>		
Extraordinary gain or loss	No extraordinary gain or loss is expected for the 33rd, 34th and for 35th fiscal periods.		

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Item	Assumption
Issue of units	<p>Regarding the 33rd fiscal period, it is assumed that the number of investment units is 2,113,516 as is currently outstanding as of February 15, 2024.</p> <p>Regarding the 34th and 35th fiscal periods, it is assumed that full issuance of 422,700 new investment units, consisting of up to 409,609 units through the public offering and up to 13,091 units through the third-party allotment, each of which was determined at the board of directors meeting held on February 15, 2024, in addition to 2,113,516 investment units outstanding as of February 15, 2024.</p>
Distributions per unit (excluding distributions in excess of retained earnings per unit)	<p>It is assumed that net income excluding amounts less than 1 yen per unit is distributed in its entirety. The calculation of distributions per unit for the 33rd fiscal period, 34th fiscal period and the 35th fiscal period is based on the assumption that fluctuations in the fair value of interest rate swaps have no impact on distributions per unit.</p>
Distributions in excess of retained earnings per unit (allowance for temporary difference adjustments)	<p>The taxable income in excess of accounting income for the 33rd fiscal period, 34th fiscal period and for the 35th fiscal period is assumed as follows, respectively.</p> <p>For the 33rd fiscal period, the 34th fiscal period and the 35th fiscal period, taxable income will exceed accounting income as a whole, leading to a tax discrepancy, and it is thus assumed that distribution in excess of retained earnings per unit (allowance for temporary difference adjustments) is made.</p> <p>(The 33rd fiscal period) The reversal of allowance for temporary differences (approximately 27 million yen) is calculated by deducting the amount equivalent of the tax discrepancy in the 33rd fiscal period that arises from interest costs and depreciation, etc. for the asset retirement obligation regarding removal of asbestos from IIF's assets and from disposition of IIF Yokohama Tsuzuki R&amp;D Center, from the reversal of allowance for temporary differences that comes from the partial resolution of the tax discrepancy at IIF Hamura Logistics Center.</p> <p>(The 34th fiscal period) The reversal of allowance for temporary differences (approximately 233 million yen) is calculated as the amount of tax discrepancy in the 34th fiscal period that arises from interest costs and depreciation, etc. for asset retirement obligations regarding removal of asbestos from IIF's assets and depreciation from changes in the useful life of existing building for IIF Narashino Logistics Center II, assuming the implementation of redevelopment project at IIF Narashino Logistics Center II. (Note that the redevelopment for IIF Narashino Logistics Center II is currently at a planning stage, and the redevelopment has not been decided, nor has IIF decided to acquire the building after the redevelopment as of February 15, 2024. The same will apply hereinafter), subtracted with the reversal of allowance for temporary differences that will arise from the partial resolution of the tax discrepancy at IIF Yokohama Tsuzuki R&amp;D Center.</p> <p>(The 35th fiscal period) The reversal of allowance for temporary differences (approximately 115 million yen) is calculated as the amount of the tax discrepancy in the 35th fiscal period that arises from interest costs and depreciation, etc. the asset retirement obligation regarding removal of asbestos from IIF's assets and depreciation from changes in the useful life of existing building for IIF Narashino Logistics Center II, assuming the implementation of redevelopment project at IIF Narashino Logistics Center II.</p>

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Item	Assumption
Distributions in excess of retained earnings per unit (distribution with decrease in investment capital under tax law)	<p>In the 33rd fiscal period, as the amount from the gain on the sales of real estate, etc. (463 yen per unit) will exceed the estimated amount of distributions in excess of earnings (distribution with a decrease in investment under tax laws) of 128 yen per unit based on (1) and (2) below, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), in the event that the amount of distributions per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit (111 yen per unit)</p> <ul style="list-style-type: none"> <li>• Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Atsugi Logistics Center III (10 yen per unit)</li> <li>• Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Hamura Logistics Center (9 yen per unit)</li> <li>• Increase in utility cost (after offsetting revenue from tenants, etc.) and repair cost in association with renovation works on vacant lots at IIF Shonan Health Innovation Park (92 yen per unit)</li> </ul> <p>(2) In accordance with the policy of continuous surplus cash distribution (*), for redevelopment properties and newly constructed properties, etc., which have a high building value ratio and a high depreciation ratio, among the assets owned as of the end of the 33rd fiscal period, the policy shall be to distribute an amount determined by IIF up to 30% of the depreciation of the relevant operation period for such properties as cash in excess of profits, in principle, continuously for each fiscal period, and it is assumed that continuous distributions in excess of profits for the properties acquired as follows will be made (16 yen per unit)</p> <ul style="list-style-type: none"> <li>• IIF Yokkaichi Logistics Center (New building) (10 yen per unit)</li> <li>• IIF Shiga Ryuoh Logistics Center (4 yen per unit)</li> <li>• IIF Atsugi Logistics Center III (Redevelopment) (1 yen per unit)</li> </ul> <p>In the 34th fiscal period, as the amount from the gain on the sales of real estate, etc. (558 yen per unit) will exceed the estimated amount of distributions in excess of earnings (distribution with a decrease in investment under tax laws) of 136 yen per unit based on (1) and (2) below, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), in the event that the amount of distributions per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit (118 yen per unit)</p> <ul style="list-style-type: none"> <li>• Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Hamura Logistics Center (7 yen per unit)</li> <li>• Increase in utility cost (after offsetting revenue from tenants, etc.) and repair cost in association with renovation works on vacant lots at IIF Shonan Health Innovation Park (110 yen per unit)</li> </ul> <p>(2) In accordance with the policy of continuous surplus cash distribution (*), for redevelopment properties and newly constructed properties, etc., which have a high building value ratio and a high depreciation ratio, among the assets owned as of the end of the 34th fiscal period, the policy shall be to distribute an amount determined by</p>

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	<p>IIF up to 30% of the depreciation of the relevant operation period for such properties as cash in excess of profits, in principle, continuously for each fiscal period, and it is assumed that continuous distributions in excess of profits for the properties acquired as follows will be made (18 yen per unit)</p> <ul style="list-style-type: none"> <li>• IIF Yokkaichi Logistics Center (New building) (8 yen per unit)</li> <li>• IIF Shiga Ryuoh Logistics Center (3 yen per unit)</li> <li>• IIF Atsugi Logistics Center III (Redevelopment) (4 yen per unit)</li> <li>• IIF Sakura Logistics Center (0 yen per unit)</li> <li>• IIF Shiga Otsu Logistics Center (0 yen per unit)</li> </ul> <p>In the 35th fiscal period, as the amount from the gain on the sales of real estate, etc. (393 yen per unit) will exceed the estimated amount of distributions in excess of earnings (distribution with a decrease in investment under tax laws) of 177 yen per unit based on (1) and (2) below, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), in the event that the amount of distributions per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit (159 yen per unit)</p> <ul style="list-style-type: none"> <li>• Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Hamura Logistics Center (7 yen per unit)</li> <li>• Increase in utility cost (after offsetting revenue from tenants, etc.) and repair cost in association with renovation works on vacant lots at IIF Shonan Health Innovation Park (88 yen per unit)</li> <li>• Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Narashino Logistics Center II (63 yen per unit)</li> </ul> <p>(2) In accordance with the policy of continuous surplus cash distribution (*), for redevelopment properties and newly constructed properties, etc., which have a high building value ratio and a high depreciation ratio, among the assets owned as of the end of the 35th fiscal period, the policy shall be to distribute an amount determined by IIF up to 30% of the depreciation of the relevant operation period for such properties as cash in excess of profits, in principle, continuously for each fiscal period, and it is assumed that continuous distributions in excess of profits for the properties acquired as follows will be made (18 yen per unit)</p> <ul style="list-style-type: none"> <li>• IIF Yokkaichi Logistics Center (New building) (8 yen per unit)</li> <li>• IIF Shiga Ryuoh Logistics Center (3 yen per unit)</li> <li>• IIF Atsugi Logistics Center III (4 yen per unit)</li> <li>• IIF Sakura Logistics Center (0 yen per unit)</li> <li>• IIF Shiga Otsu Logistics Center (0 yen per unit)</li> </ul> <p>* The distribution policy is described in “Part 1, Fund Information, Item 1. Status of Fund, 2. Investment Policies, (3) Cash Distribution Policies, (ii) Cash Distributions in Excess of Profits, (A) Policy regarding Continuous Surplus Cash Distribution and (B) Policy regarding Optimal Payable Distribution” on the latest securities report (submitted on October 26, 2023).</p>
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## 【Transition of Forecast Distributions per Unit (after adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.)<sup>(Note 1)</sup>】

	Fiscal period ending July 2024 (34th) (Previous Forecast)	Fiscal period ending January 2025 (35th) (Forecast)
Distributions per Unit (yen per unit)	3,225	3,390
Forecast of Distributions per Unit (after adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.) (yen per unit)	3,153	3,248
Investment units outstanding as of the end of the fiscal period (units) <sup>(Note 2)</sup>	2,113,516	2,536,216

(Note 1) “Forecast of distributions per unit (after adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.)” is defined as the estimated distribution per unit starting with the forecast distribution per unit after subtracting the distributions in excess of retained earnings (distribution with decrease in investment capital under tax law), adding the considered estimate of accrued fixed property tax, city planning tax, and depreciable property tax currently not changed into costs, and non-recurring gains or losses, etc. (the “adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.”) for each period, then adding the distribution per unit considering continuous distributions in excess of retained earnings (amount equivalent to distribution with decrease in investment capital under tax law). Consequently, the values of forecast distribution per unit (after adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.) stated for each fiscal period is not an estimate nor prediction for any or a certain period of IIF’s fiscal period.

The estimate for the “adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.” is the estimate of accrued fixed property tax, city planning tax, and depreciable property tax, currently accounted in the acquisition price and not changed into costs, and adjustments by non-recurring gains or losses, etc. “Adjustments by non-recurring gains or losses, etc.” are the total of the estimated adjustments in gains or losses with the temporary factors expected to be resolved after the respective fiscal period ends for the resolved temporary cost incurred regarding redevelopment, the difference between the rent revenue assumed after rent revenue from new acquisitions are expected to contribute to the full fiscal period and the budgeted rent revenue from the acquired property contributing to the accounting period, and adjustments made to stabilize utility costs etc. to account for temporary changes resulting from increase in commodity costs or seasonal factors.

Assumptions used in the calculation of the distributions per unit (after adjustment of fixed property tax, city planning tax and non-recurring gains or losses, etc.) are as follows:

### 【Fiscal Period Ending July 2024 (34th fiscal period) (Previous Forecast)】

(Calculated based on the forecast of operating results released September 13, 2023)

- ① Items in the adjustments of fixed property tax, city planning tax and non-recurring gains or losses, etc.
  - Assuming fixed property tax and city planning tax of 29 million yen for the 6 properties acquired in the fiscal period ended July 31, 2023 (32nd fiscal period) and the fiscal period ended January 31, 2024 (33rd fiscal period) would be recorded for the entire fiscal period starting from the beginning of the fiscal period ending July 31, 2024 (34th fiscal period)
  - Assuming that the gain on sale of real estate, etc. of 622 million yen from the sale of IIF Kobe Logistics Center (25% co-ownership interest) will not be recorded
  - Assuming that the aggregate temporary cost of 445 million yen incurred due to adjustments in utility costs as to normalize the utility costs estimated on acquisition considering costs liable to tenants and increase in repair cost due to renovation work on vacant parcels at IIF Shonan Health Innovation Park, as well as the temporary cost and downtime from the implementation of redevelopment project at IIF Hamura Logistics Center, will not be recorded.
  - Assuming that the increase in rent revenue following rent revisions from held properties occurs from the start of the fiscal period ending July 2024 (34th fiscal period), and thus rent revenue increases by 10 million yen
- ② Distribution in excess of retained earnings (Continuous surplus cash distribution (distribution with decrease in investment capital under tax law, etc.)): 21 yen per unit

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\*Assuming that properties subject to continuous surplus cash distributions include IIF Yokkaichi Logistics Center (New building), IIF Shiga Ryuoh Logistics Center and IIF Atsugi Logistics Center III (Redevelopment)

## 【Fiscal Period Ending January 2025 (35th fiscal period) (Forecast)】

(Calculated based on the forecast of operating results released February 15, 2024)

- ① Items in the adjustments of fixed property tax, city planning tax and non-recurring gains or losses, etc.
  - Assuming that fixed property tax and city planning tax of 287 million yen for the 28 properties and underlying properties for the equity investment in a silent partnership acquired the fiscal period ending July 31, 2024 (34th fiscal period) would be recorded for the entire fiscal period starting from the beginning of the fiscal period ending January 31, 2025 (35th fiscal period)
  - Assuming that the collective gain on sale of real estate, etc. and rent revenue of 1,076 million yen from the sale of IIF Totsuka Technology Center (Land with leasehold interest) (35% co-ownership interest) will not be recorded
  - Assuming that the aggregate temporary cost of 385 million yen incurred due to adjustments in utility costs as to normalize the utility costs estimated on acquisition considering costs liable to tenants and increase in repair cost due to renovation work on vacant parcels at IIF Shonan Health Innovation Park, as well as the temporary cost and downtime from the implementation of redevelopment project at IIF Narashino Logistics Center II, will be recorded.
  - Assuming the completion of redevelopment projects for IIF Hamura Logistics Center and IIF Narashino Logistics Center I, and recording 133 million yen of rent revenue from the beginning of the fiscal period
  - Assuming that the increase in rent revenue following rent revisions (estimate based on the difference between actual and assumed rent from the signed renewed lease agreement or letter of intent for lease etc. Note that the assumed rent from the letter of intent for lease etc. is not a guarantee that the assumed rent will be realized upon signing, and does not guarantee any increase in rent revenue) from held properties occurs from the start of the fiscal period ending July 2024 (34th fiscal period), and thus rent revenue increases by 283 million yen
  - Assuming that revenue of 129 million yen representing an adjustment for the difference in number of days, etc. would be additionally recorded
- ② Distributions in excess of retained earnings (Optimal payable distribution (distribution with decrease in investment capital under tax law)): 46 yen per unit

\*Assuming occurrence of tax discrepancy that arises from interest costs and depreciation, etc. for asset retirement obligations regarding removal of asbestos from IIF's assets and depreciation from changes in the useful life of existing building for IIF Narashino Logistics Center II
- ③ Distribution in excess of retained earnings (Continuous surplus cash distribution (distribution with decrease in investment capital under tax law, etc.)): 27 yen per unit

\*Assuming that properties subject to continuous surplus cash distributions include IIF Yokkaichi Logistics Center (New building), IIF Shiga Ryuoh Logistics Center and IIF Atsugi Logistics Center III, IIF Hamura Logistics Center, IIF Narashino Logistics Center I, IIF Sakura Logistics Center and IIF Shiga Otsu Logistics Center

(Note 2) Assumptions on the number of outstanding units issued for “Fiscal period ending July 2024 (34th fiscal period) (Previous Forecast)” and “Fiscal period ending January 2025 (35th fiscal period) (Forecast)” is the same as the assumptions underlying the forecasts of operating results and distributions for the fiscal period ending July 2024 (34th fiscal period) and the fiscal period ending January 2025 (35th fiscal period) stated above.

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