

Industrial & Infrastructure Fund Investment Corporation

February 15, 2024

To all concerned parties:

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

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today that its board of directors, at a meeting held on February 15, 2024, passed a resolution to issue new investment units and to conduct a secondary offering of investment units, as outlined below.

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

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| (1) | Number of investment units to be offered | 409,609 investment units of IIF (“IIF Investment Units”) in total of the following (i) and (ii)
(i) 402,560 IIF Investment Units to be underwritten and purchased by the Domestic Underwriters and the Overseas Underwriters as described in (4) (i) and (ii) below, respectively.
(ii) A maximum of 7,049 IIF Investment Units to be additionally issued, which are subject to the right to purchase granted to the Overseas Underwriters in the Overseas Offering as described in (4) (ii) below. |
| (2) | Amount to be paid in (Issue value) | To be determined.
(The amount to be paid in shall be determined at the board of directors’ meeting to be held on a date between Wednesday, February 21, 2024 and Monday, February 26, 2024 (the “Issue Price Determination Date”) based on the method provided in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association. The amount to be paid in (issue value) refers to the amount IIF shall receive from the Underwriters as described in (4) (ii) below as the payment proceeds per IIF Investment Unit.) |
| (3) | Total amount to be paid in (Total issue value) | To be determined. |
| (4) | Offering method | (i) Domestic Public Offering
IIF Investment Units will be offered through a public offering in Japan (the “Domestic Public Offering”), and all IIF Investment Units for the Domestic Public Offering shall be underwritten and purchased by joint lead managers (collectively referred to as the “Domestic Underwriters”).
(ii) Overseas Offering |

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Industrial & Infrastructure Fund Investment Corporation

IIF Investment Units will be offered in the overseas markets, consisting mainly of the U.S., European and Asian markets (provided that any offering in the United States will be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (referred to herein as the “Overseas Offering” and collectively with the Domestic Public Offering, the “Offerings”). Overseas underwriters (collectively referred to as the “Overseas Underwriters” and, together with the Domestic Underwriters, the “Underwriters”) shall purchase severally and not jointly all of the IIF Investment Units with respect to the Overseas Offering. In addition, the right to purchase IIF Investment Units to be issued additionally as described in (1) (ii) above shall be granted to the Overseas Underwriters.

(iii) Joint global coordinators

Certain Underwriters will act as joint global coordinators for the Offerings, and the over-allotment secondary offering mentioned in “2. Secondary Offering of Investment Units (Offering through the Over-Allotment)” below (the “Over-Allotment”).

(iv) The issue price for the Domestic Public Offering and the Overseas Offering shall be determined on the Issue Price Determination Date, based on the method provided in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities as provided by the Japan Securities Dealers Association, taking into consideration the level of demand and other factors, using as a tentative price, the amount obtained by multiplying the closing price of the IIF Investment Units for regular trading on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the preceding date) by a figure between 0.90 to 1.00 (any fraction of one yen shall be rounded down to the nearest yen).

(v) The total number of units to be offered is 409,609 units, consisting of 261,664 units through the Domestic Public Offering and 147,945 units through the Overseas Offering (140,896 units to be purchased by the Overseas Underwriters and 7,049 units to be purchased under the right to purchase additionally issued IIF Investment Units granted to the Overseas Underwriters). However, the final decision on the number of units offered through the Domestic Public Offering and the Overseas Offering shall be made on the Issue Price Determination Date taking into consideration the level of demand and other factors, to the extent that the total number of units to be offered will not exceed the upper limit of 409,609 units.

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| (5) Compensation for the Underwriters | No underwriting commission will be paid, and the difference between the total issue price (total offer price) and the total amount to be paid in (total issue value) with respect to the Domestic Public Offering and the Overseas Offering shall represent the Underwriters’ compensation. |
| (6) Subscription unit | One unit or more in multiples of one unit |

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Industrial & Infrastructure Fund Investment Corporation

- (7) Subscription period for the Domestic Public Offering The first business day following the Issue Price Determination Date
- (8) Payment period for deposit in securities From the first business day following the Issue Price Determination Date to the second business day following the Issue Price Determination Date
- (9) Payment date Any date between Wednesday, February 28, 2024 and Friday, March 1, 2024, provided, however, that it shall be the fourth business day following the Issue Price Determination Date
- (10) Delivery date The business day following the payment date
- (11) The issue price (offer price), the amount to be paid in (issue value) and other items required for the issuance of the new IIF Investment Units shall be determined at a board of directors' meeting to be held in the future.
- (12) The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "Financial Instruments and Exchange Act"), becoming effective.

2. Secondary Offering of Investment Units (the "Offering through the Over-Allotment")

- (1) Seller and number of investment units to be offered A Domestic Underwriter: 13,091 units
The number of IIF Investment Units to be offered as shown above indicates the maximum number of units to be offered through the Offering through the Over-Allotment. Depending on the level of demand and other factors of the Domestic Public Offering, the number of units may be reduced, or the Offering through the Over-Allotment itself may not be conducted. The number of IIF Investment Units to be offered shall be determined at a board of directors meeting to be held on the Issue Price Determination Date taking into consideration the level of demand and other factors.
- (2) Selling price To be determined.
(To be determined on the Issue Price Determination Date. The selling price shall be identical to the issue price (offer price) of the Domestic Public Offering.)
- (3) Total selling price To be determined.
- (4) Offering method Depending on the level of demand and other factors of the Domestic Public Offering, the Domestic Underwriter shall offer the IIF Investment Units by borrowing a maximum of 13,091 units from KKR Alternative Assets LLC, separately from the Domestic Public Offering.
- (5) Subscription unit One unit or more in multiples of one unit
- (6) Subscription period Identical to the subscription period for the Domestic Public Offering.
- (7) Payment period for deposit in securities Identical to the payment period for deposit in securities for the Domestic Public Offering.
- (8) Delivery date The business day following the payment date of the Domestic Public Offering.
- (9) Should the Domestic Public Offering be suspended, the Offering through the Over-Allotment shall also be suspended.

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Industrial & Infrastructure Fund Investment Corporation

- (10) The selling price and other items required for the Offering through the Over-Allotment shall be determined at a board of directors meeting to be held in the future.
- (11) The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan, becoming effective.

3. Issuance of New Investment Units through Third-Party Allotment (the “Third-Party Allotment”)

- (1) Number of investment units to be offered 13,091 units
- (2) Amount to be paid in (Issue value) To be determined.
(To be determined at the board of directors meeting to be held on the Issue Price Determination Date. The amount to be paid in (issue value) shall be identical to the amount to be paid in (issue value) for the Domestic Public Offering.)
- (3) Total amount to be paid in (Total issue value) To be determined.
- (4) Allottee and number of investment units to be allotted A Domestic Underwriter: 13,091 units
- (5) Subscription unit One unit or more in multiples of one unit
- (6) Subscription period (Subscription date) Any date between Monday, March 25, 2024 and Friday, March 29, 2024, provided, however, that this shall be the first business day following the thirtieth day (or the previous business day if the thirtieth day is not a business day) counting from the day following the end of the subscription period of the Domestic Public Offering and Offering through the Over-Allotment.
- (7) Payment date Any date between Tuesday, March 26, 2024 and Monday, April 1, 2024, provided, however, that this shall be the second business day following the thirtieth day (or the previous business day if the thirtieth day is not a business day) counting from the day following the end of the subscription period of the Domestic Public Offering and Offering through the Over-Allotment.
- (8) Investment units for which no application for subscription has been made during the subscription period (subscription date) described in (6) above shall not be issued.
- (9) Should the Domestic Public Offering be suspended, the Third-Party Allotment shall also be suspended.
- (10) The amount to be paid in (issue value) and other items required for the issuance of the new investment units through the Third-Party Allotment shall be determined at a board of directors meeting to be held in the future.
- (11) The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan, becoming effective.

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Industrial & Infrastructure Fund Investment Corporation

<Reference>

1. Offering through the Over-Allotment and related matters

The Offering through the Over-Allotment is an offering of IIF Investment Units in which, depending on the level of demand and other factors of the Domestic Public Offering, the Domestic Underwriter may offer the IIF Investment Units, separately from the Domestic Public Offering by borrowing a maximum of 13,091 units from KKR Alternative Assets LLC. While planned number of IIF Investment Units to be offered through the Offering through the Over-Allotment is 13,091 units, the aforementioned number of IIF Investment Units to be offered is the maximum number of IIF Investment Units to be offered and, depending on the level of demand and other factors, the number of IIF Investment Units to be offered through the Offering through the Over-Allotment may be reduced, or the Offering through the Over-Allotment of 13,091 IIF Investment Units itself may not be conducted.

In relation to the Offering through the Over-Allotment, the Third-Party Allotment of the IIF Investment Units with the payment date on any date between Tuesday, March 26, 2024 and Monday, April 1, 2024 (provided, however, that this shall be the second business day following the thirtieth day (or the previous business day if the thirtieth day is not a business day) counting from the day following the end of the subscription period of the Domestic Public Offering and Offering through the Over-Allotment) was determined by resolution at the board of directors' meeting of IIF held on Thursday, February 15, 2024 for the purpose of satisfying the obligation of the Domestic Underwriter to return the IIF Investment Units borrowed from the unitholder of IIF Investment Units (the "Borrowed IIF Investment Units").

Additionally, the Domestic Underwriter may also purchase the IIF Investment Units up to the number of units for the Offering through the Over-Allotment (hereinafter referred to as the "Syndicated Cover Transaction") on the Tokyo Stock Exchange during the day following the close of the subscription period for the Domestic Public Offering and the Offering through Over-Allotment until two business days prior to the payment date of the Third-Party Allotment (the "Syndicated Cover Transaction Period") to allocate for the return of the Borrowed IIF Investment Units. All of the IIF Investment Units acquired by the Domestic Underwriter through the Syndicated Cover Transaction will be used to return the Borrowed IIF Investment Units. During the Syndicated Cover Transaction Period, the Domestic Underwriter may not conduct the Syndicated Cover Transaction at all or may complete the Syndicated Cover Transaction with a number of IIF Investment Units that is smaller than the number of units offered through the Offering through the Over-Allotment.

Furthermore, the Domestic Underwriter may engage in stabilizing transactions related to the Domestic Public Offering and the Offering through the Over-Allotment, and the IIF Investment Units acquired through such stabilizing transactions may possibly be used, in whole or in part, to return the Borrowed IIF Investment Units. In addition, whole or part of IIF Investment Units purchased through such stabilizing transactions may possibly be transferred to the Overseas Underwriters to settle for a part of the Overseas Offering.

As for the remaining number of units after reducing the number of IIF Investment Units acquired through the stabilizing transaction and the Syndicated Cover Transaction and used to return the Borrowed IIF Investment Units from the number of IIF Investment Units for the Offering through the Over-Allotment, the Domestic Underwriter intends to acquire the aforementioned number of IIF Investment Units by accepting the allotment of the Third-Party Allotment. Consequently, there may be cases where there will be no subscription for the IIF Investment Units offered in the Third-Party Allotment in whole or in part, and the final number of IIF Investment Units placed under the Third-Party Allotment may accordingly decrease to that extent due to forfeiture, or such allotment itself may not take place at all.

Whether or not the Offering through the Over-Allotment will be made and the number of IIF Investment Units to be offered in case the Offering through the Over-Allotment is made will be determined on the Issue Price Determination Date. If the Offering through the Over-Allotment is not conducted, the Domestic

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Industrial & Infrastructure Fund Investment Corporation

Underwriter will not borrow the IIF Investment Units from KKR Alternative Assets LLC. Therefore, in such case, since the Domestic Underwriter will not accept the allotment of the Third-Party Allotment and will not make application for subscription, the new issuance of IIF Investment Units by the Third-Party Allotment will not take place at all due to forfeiture. In addition, the Syndicated Cover Transaction on the Tokyo Stock Exchange will not be conducted.

The Domestic Underwriter will conduct the transactions described above upon consultation with the other Domestic Underwriters.

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

Current number of issued investment units outstanding:	2,113,516 units
Number of new investment units to be issued in the Offerings:	409,609 units ^(Note 1)
Total number of issued investment units after the Offerings:	2,523,125 units ^(Note 1)
Increase in the number of investment units from the Third-Party Allotment:	13,091 units ^(Note 2)
Total number of issued investment units after the Third-Party Allotment:	2,536,216 units ^(Note 2)

(Note 1) Representing the case where the right to purchase additionally issued IIF Investment Units granted to the Overseas Underwriters as described in “1. Issuance of New Investment Units through Public Offering (1) (ii)” above is exercised in full and all of the new investment units are issued.

(Note 2) Representing the case where the Domestic Underwriter applies for all of the offered number of investment units under the Third-Party Allotment and all of the new investment units are issued.

(Note 3) The ratio of the number of new investment units issued through the Offerings and the Third-Party Allotment to the current number of issued and outstanding investments units (maximum total number of new investment units to be issued through the Offerings and the Third-Party Allotment divided by the current total number of issued and outstanding investment units) is 20.0%.

3. Objective and Rationale for the issuance

The issuance of the new investment units was decided for the purpose of improving the profitability of the portfolio and financial stability through the acquisition of new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, the same shall apply hereinafter) after having considered factors such as market trends and the level of distributions per unit.

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

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

53,325,000,000 yen (maximum)

(Note) The above amount represents the total sum of 33,010,000,000 yen proceeds from the Domestic Public Offering, 18,664,000,000 yen in maximum proceeds from the Overseas Offering and 1,651,000,000 yen in maximum proceeds from the issuance of new IIF Investment Units through the Third-Party Allotment. The above figures represent estimated amounts calculated based on the closing price for regular trading on the Tokyo Stock Exchange as of Friday, February 2, 2024.

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

Of the amount of funds to be financed, in case the Issue Price Determination Date is set to either Wednesday, February 21, 2024 or Thursday, February 22, 2024, the proceeds from the Domestic Public Offering and the Overseas Offering will be allocated to a part of the funds to acquire the new specified assets that IIF intends to acquire as described in the press releases “Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Rights” and “Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)” issued on February 15, 2024. In case the Issue Price Determination Date is set to Monday, February 26, 2024, the proceeds from the Domestic Public Offering and the proceeds from the Overseas Offering will be allocated to a part of the funds to acquire the new specified assets that IIF intends

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Industrial & Infrastructure Fund Investment Corporation

to acquire as described in the press release “Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Rights” issued on February 15, 2024. In addition, the proceeds from the Third-Party Allotment shall be kept as cash on hand and deposited to a financial institution, and subsequently be will be used as part of the acquisition of specified assets in a later date, or as part of a repayment of borrowings.

5. Designated Allottee of Distribution

None.

6. Others (Restrictions on Sales and Additional Issuances)

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

(Reference) Other press releases announced today:

“Notice Concerning Revised Forecast & Distributions for the Jan. 2024 FP and the July 2024 FP, and Forecast & Distributions for the Jan. 2025 FP”

“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, asset manager for Industrial & Infrastructure Fund Investment Corporation.

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