

Industrial & Infrastructure Fund Investment Corporation

February 15, 2024

To all concerned parties:

Investment Corporation
Industrial & Infrastructure Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 3249)
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Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today that KJR Management, IIF’s asset manager (the “Asset Manager”), decided to invest in a silent partnership (the “Tokumei Kumiai”) (the investment to be referred to as the “Acquisition”).

Highlights of the Acquisition

- ① Long-term & stable Joint-investment with a major domestic real estate company
- ② Aiming for reduction in book value through long-term holding
- ③ Preferential negotiation rights granted for the underlying assets, securing future acquisition opportunities

1. Summary of the Anticipated Acquisition

1) Anticipated Acquisition	Tokumei Kumiai that has collateralized underlying assets for real estate trust beneficiary rights set in four properties (the “Trust Beneficiary Rights”) (Note 1)
2) Asset name	Tokumei Kumiai interest in HK Logistics Godo Kaisha (the “SPC”) (the “Tokumei Kumiai”) (Note 2)
3) Properties held in trust	Shutoken East Logistics Center, Kitakashiwa Logistics Center, Keihin Logistics Center, Oyamazaki Logistics Center (collectively, the “Underlying Assets”)
4) Investment amount	16,630 million yen (49.9% of the total equity interest in the Tokumei Kumiai)
5) Contract execution date	February 15, 2024
6) Acquisition date	February 29, 2024
7) Acquisition funds	Proceeds from the issuance of new investment units (Note 3) and cash on hand (Note 4)

Disclaimer:

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- (Note 1) The SPC will acquire the Trust Beneficiary Rights on March 4, 2024. Concurrently with the Acquisition, IIF will be granted preferential negotiation rights regarding the Trust Beneficiary Rights or the Underlying Assets. (For further details, please refer to “3. Summary of the Underlying Assets 1) Outline of the Tokumei Kumiai and Overall Structure”). IIF has not decided to acquire the Trust Beneficiary Rights or the Underlying Assets, nor has scheduled to acquire the Trust Beneficiary Rights or the Underlying Assets for a future date as of February 15, 2024. IIF does not guarantee that IIF will be able to acquire the Trust Beneficiary Rights or Underlying Assets in the future.
- (Note 2) For more details of the scheme of the Acquisition, please refer to “3. Summary of the Underlying Assets 1) Outline of the Tokumei Kumiai and Overall Structure” .
- (Note 3) Regarding the issuance of new investment units, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” released as of today.
- (Note 4) If the issue price determination date for the offerings is set on February 26, 2024, the acquisition will be funded by cash on hand.

2. Reasons for the Acquisition

IIF will acquire the equity interest in the Tokumei Kumiai with four large-scale logistics facilities with LOGISTEED, Ltd. as their tenant, and located favorably and near major sites, as the collateralized Underlying Assets. Through the Acquisition, IIF expects the investment to be profitable with an anticipated dividend payout ratio of 6.7% (Note 1), as well as a long-term stable joint-investment for approximately 10 years with a major domestic real estate company etc. In addition, IIF will procure preferential negotiation rights for the four Underlying Assets, and secure acquisition opportunities foreseeing a reduction in book value through the long-term vehicle. The Underlying Assets are expected to sign a long-term lease contract (term of 20 years, cancellation before expiration not available in principle), and all the properties will introduce CPI-linked provisions for rent revision(Note 2) with floor-price (Note 3), providing inflation resistance.

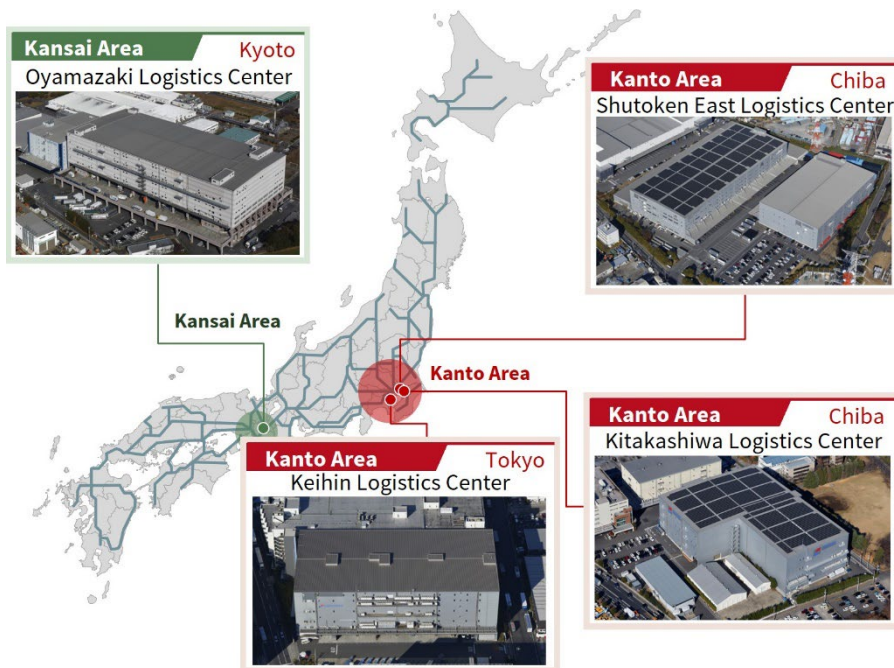
- (Note 1) The anticipated dividend payout is calculated by dividing (A) the product of (a) the simulated Tokumei Kumiai interest dividend, which is calculated by deducting (i) simulated expenses such as operating expense of the SPC and the interest of debt from (ii) the first year net operating income with the DCF method as described in the real estate appraisal report prepared by The Tanizawa Sogo Appraisal Co., Ltd. with February 1, 2024 as the appraisal date), and (b) IIF's equity interest ratio to the total Tokumei Kumiai interest amount (49.9%), by the IIF's anticipated investment amount to the Tokumei Kumiai. The anticipated amounts of expenses are reference values calculated by the Asset Manager, and the actual dividend payout may differ greatly from the reference values or dividends may not be paid at all.
- (Note 2) Excluding the fixed-term land lease contract for business purpose at the Kitakashiwa Logistics Center.
- (Note 3) Leases with CPI-linked rent revision provisions for tenants (“CPI-Linked Rents”) refer to a provision or provisions in the rent revision clause such that the rent automatically increases or decreases based on the CPI (Consumer Price Index (Japan)) as of the timing of revision.
“CPI-Linked Rents with floor-price” in regard to the lease contract for the Underlying Assets introduce the CPI-Linked Rents in which a floor for the rent is set for the represented building (or land in case of land with leasehold interest) in the lease contract or lease reserve contract for the assumed Underlying Assets to be made effective on the acquisition date for the SPC.
For further details, please refer to “3. Summary of the Asset 3) Summary of the Underlying Assets regarding the Trust Beneficiary Rights”.)

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<Location of the Underlying Assets>



<Scheme of the Equity Investment>

Underlying Assets <Four properties>	Non-recourse debt JPY 74,500 mn		
	Equity Interest JPY 33,327 mn		
	IIF 49.9%	Major domestic real estate company 50.0%	Other 0.1%
Total Anticipated Acquisition Price JPY 104,411 mn			
Total Appraisal Value (Ratio of Difference) JPY 116,530 mn (+11.6%)			
Reserves, Expenses, etc.			

<Overview>

IIF's Anticipated Investment Amount	JPY 16,630 mn (49.9% Equity Interest in Silent Partnership)
Anticipated Dividend Payout (cash-on-cash basis)	6.7%
Investment Term	Approx. 10 years (February 29, 2024 ~ February 28, 2034)
Tenant	LOGISTEED
Lease Type	Fixed-term building lease contract, or Fixed-term land lease contract for business purpose
Average Lease Contract Term⁽⁴⁾	20.0 years
Early Cancellation / Rent Revision⁽⁵⁾	Not allowed / CPI-linked Provisions with floor-price *

* Excludes the fixed-term land lease contract for business purpose in regards to Kitakashiwa Logistics Center

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3. Summary of the Underlying Assets

1) Outline of the Tokumei Kumiai and Overall Structure

Operator name	HK Logistics Godo Kaisha (the SPC)			
Effective term of Tokumei Kumiai contract	Until the end of February 2034 (however, if the SPC has not yet completely fulfilled all of its obligations under the loan-related contract as of the expiry date, the effective term shall be extended to the date when such completion; the effective term may be extended accordingly if the SPC and the investor for the Tokumei Kumiai have separately reached an agreement in writing.)			
Total amount of equity investment in the Tokumei Kumiai	33,327 million yen			
Outline of the scheme	Summary of the scheme and the Tokumei Kumiai contract is as follows:			
	HK Logistics Godo Kaisha			
	Underlying Assets	Non-recourse debt (Note 3) (Note 4)		
	Sum of the Trust Beneficiary Rights in 4 properties	74,500 million yen		
	104,411 million yen	Equity interest in the Tokumei Kumiai, etc.		
	(Reference) Sum of the Appraisal Value	33,327 million yen		
	116,530 million yen (Note 1) (Note 2)	IIF	Major domestic real estate company	Other
	Reserves, expenses, etc.	49.9% (Note 5)	50.0%	0.1%
	(Note 1) The SPC is scheduled to acquire the Trust Beneficiary Rights on March 4, 2024.			
	(Note 2) The acquisition price of the Trust Beneficiary Rights by the SPC is 104,411 million yen (the scheduled acquisition date: March 4, 2024). The appraisal value of 116,530 million yen as of February 1, 2024.			
(Note 3) Non-recourse debt is the amount excluding the loan corresponding to the consumption tax refund. (This refers to borrowings that are to be repaid in advance with an amount equivalent to the refund due to receipt of refunds of consumption tax and local consumption tax.)				
(Note 4) The non-recourse debt will be provided by the Sumitomo Mitsui Banking Corporation.				
(Note 5) IIF intends to invest 16,630 million yen, or 49.9% of total equity investment in the Tokumei Kumiai. The other planned investors in the Tokumei Kumiai include a major domestic real estate company.				
(Note 6) The Asset Manager is scheduled to be the asset manager of the SPC.				
(Note 7) KKR Capital Markets Japan Ltd. will be the private placement arranger for the Tokumei Kumiai.				
Calculation period: The calculation periods are the six-month periods from June 1 of each year to the last day of November (November period), and from December 1 of each year to the last day of May of the following year (May period); however, the initial calculation period shall be from the day of execution of initial investment to the last day of May 2024, and the final calculation period shall be from the following day of the last day of the calculation period immediately preceding the expiry date of the contract to such expiry date.				
Distribution of profit and loss: Profits and losses generated during a calculation period will be distributed as of the last day of the relevant calculation period to each investor according to the respective investment ratios as of such last day. Investors are obliged to receive profits to be distributed and/or bear losses concerning the business.				
Others	If the SPC decides to sell the Trust Beneficiary Rights or the Underlying Assets to a third party, the SPC is to discuss or negotiate preferentially with each investor in the Tokumei Kumiai, including IIF and the co-investors, based on the advice of the Asset Manager, regarding such disposition. If all or part of such discussions or negotiations are not agreed upon, in principle, the SPC shall conduct auction by designated tender.			

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2) Profile of the SPC

Name	HK Logistics Godo Kaisha
Location	Tokyo Kyodo Accounting Office, 3-1-1, Marunouchi, Chiyoda-ku, Tokyo
Name and job title of representatives	Executive Director: General Incorporate Association (<i>Ippan Shadan Hojin</i>) HK Logistics
Business description	① Acquisition, possession and disposal of real estate trust beneficiary rights ② Acquisition, possession, disposal, leasing and management of properties ③ Any businesses incidental or related to the above-mentioned businesses
Capital	100,000 yen
Date established	January 24, 2024
Relationship with IIF or the Asset Manager	
Capital relationship Personal relationship Business relationship	The Asset Manager has been entrusted with the asset management of the SPC. IIF also intends to invest 49.9% in the Tokumei Kumiai. Other than what is disclosed above, there are no capital, personal and business relationships to be described between IIF/the Asset Manager and the SPC.
Related party	The SPC is not a related party to IIF/the Asset Manager.

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3) Summary of the Underlying Assets regarding the Trust Beneficiary Rights

【Shutoken East Logistics Center】

Type of asset	Real estate trust beneficiary right	Summary of building structure evaluation	Evaluator	ERI Solution Co., Ltd.
Anticipated acquisition date	March 4, 2024		Evaluation date	January 19, 2024
Anticipated acquisition price	37,667 million yen		Immediate repair cost	0 yen
Appraisal value	40,400 million yen (as of February 1, 2024)		Short-term repair cost	0 yen
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		Long-term repair cost	323,830,000 yen
Date of trust beneficiary right to be set	March 1, 2024		Annualized average repair cost	26,980,000 yen (Annual average for 12 years)
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust period end	February 28, 2034			
Location	355-15 Nishi-sangao, Noda-shi, Chiba and others			
Land area	68,429.74m ²	Building structure / stories	Building 1: Six-story steel-framed, steel-framed reinforced concrete structure with alloy steel sheet roof Annex 1: Single-story steel structure with galvanized steel sheet roof Annex 2: Single-story steel structure with alloy steel sheet roof Annex 3: Single-story concrete block structure with alloy steel sheet roof Annex 4: Single-story light-weight steel structure with alloy steel sheet roof Building 2: Five-story steel-framed, steel-framed reinforced concrete structure with alloy steel sheet roof	
Zoning	Exclusive industrial area			
Floor area ratio / building-to-land ratio	200% / 60%			
Type of possession	Ownership			
Earthquake PML	7.9%	Completion	Building 1: October 29, 2004 Building 2: December 27, 2006	
Collateral	None	Gross floor area	115,377.50m ²	
		Type	Building 1: Warehouse, Office Annex 1: Warehouse Annex 2: Security guard station Annex 3: Warehouse Annex 4: Warehouse Building 2: Warehouse, Office	
Special notes	<ul style="list-style-type: none"> Legal compliance issues were remarked in the building's Engineering Report, which is to be remedied on the seller's responsibility and burden. For the acquisition of this property, the SPC will promise the following to the lessee of the property: The SPC shall not, unless otherwise agreed by the lessee with prior written consent, sell, provide security for or dispose of the trust beneficiary right in the property and the property to any third party until February 28, 2029; provided, however, that this does not apply when any pledge or other security interest is established for the lenders from which funds for acquisition of the trust beneficiary right are borrowed and any third party acquires the trust beneficiary right in the property and the property by fulfilling such security interest. 			

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Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax)	Period of contract	Deposit
LOGISTEED, Ltd.	1	115,377.50m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
Total	1	115,377.50m ² (100.0%)	—	—	—
Revision of rent and termination during the lease period					
<p>Contract type: Fixed-term building lease contract Contract renewal and revision: <Cancellation during the lease period> The lessee is not allowed to cancel the lease contract until the expiration date.</p> <p><Rent revision> The rent shall not be revised for approximately 4.1 years from the execution of the lease contract. After that, the rent shall be automatically revised at the corresponding dates every three years (the “Rent Revision Dates”), starting from the first corresponding date after a lapse of five years from the execution thereof, based on fluctuations in the consumers’ price index published by the Statistics Bureau of the Ministry of Internal Affairs and Communications (Core CPI: index of prices of commodities purchased (less fresh food)). The fluctuation is the total product of the annual average core CPI plus 100% up to the Rent Revision Dates, and if the fluctuation is below 100%, it is set at 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.</p> <p>Other:</p> <ul style="list-style-type: none"> • The lessor shall neither, unless otherwise agreed by the lessee with prior written consent, from the lease commencement date to February 28, 2029, sell, provide security for or dispose of, or have a trust beneficiary sell, provide security for or dispose of the property to any third party, nor give any approval of sale of, provision of security for or other disposal of the trust beneficiary right in conflict therewith. • The lessor, if it intends to sell the property to any third party, shall give the lessee prior notice thereof and hold consultation with the lessee on potential purchase of the property. The lessee shall notify the lessor of whether it intends to hold consultation on potential purchase of the property within a certain period upon receipt of such notice. If and to the extent that the lessor and the lessee cannot reach an agreement on purchase of the property within a certain period from the lessee’s notice to the lessor on its intention to hold consultation on potential purchase, or that the lessee notifies the lessor of its intention not to hold consultation on potential purchase of the property, the lessor may negotiate with any third party on sale of the property; otherwise the lessor must not negotiate with any third party on sale of the property. 					

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

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

- Key business location of LOGISTEED East Japan in the Kanto area, and one of the largest logistics facilities in terms of one-floor area for the company
- Long-term usability backed by the fixed-term buildings lease contract for business purpose for 20.1 years (non-cancellable)

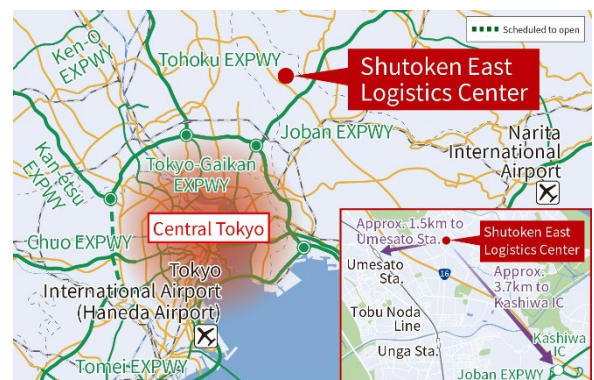
■ Versatility (Versatility as a Real Estate Asset)

<Location>

- Located near National Route 16, a major loop line for the Kanto area, and with good accessibility stationed approx. 3.7 km from “Kashiwa” IC on the Joban Expressway. Also able to access both the Tokyo Gaikan Expressway and Ken-O Expressway via “Misato” Junction, able to function as a wide-area distribution hub covering the entire Kanto area
- Located within the “Nanbu industrial complex” with large-scale logistics facilities and factories in the vicinity, and available for 24-hour operations in the long-term
- Approx. 1.5km from “Umezato” Station on the Tobu Urban Park Line, providing advantage in securing workforce from its proximity to the Kashiwa city center and residential areas within viewing distance

<Facility>

- High versatility in the main building with floor weight capacity of 1.5t/m² on the first and fifth floors, 1.2t/m² on the 3rd floor, 0.8t/m² on the fourth and sixth floors, and pillar span of 8.0m x 12.0m. Additionally possess high operational efficiency equipped with truck berths able to serve 47 trucks on the ground floor, as well as three freight elevators and four vertical conveyers adding to the high loading capacity
- Also with high versatility in the 2nd Logistics Center with floor weight capacity of 1.5t/m² on each floor and pillar span of 9.0m x 10.5m. Additionally, possess high operational efficiency equipped with double-sided truck berths, as well as one freight elevator and five vertical conveyers adding to the high loading capacity
- Parking space host 20 resting spaces for trucks, and able to accommodate 395 vehicles, helping employees who drive to work



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【Kitakashiwa Logistics Center】

Type of asset	Real estate trust beneficiary right	Summary of building structure evaluation	Evaluator	ERI Solution Co., Ltd.
Anticipated acquisition date	March 4, 2024		Evaluation date	January 19, 2024
Anticipated acquisition price	20,553 million yen		Immediate repair cost	0 yen
Appraisal value	21,360 million yen (as of February 1, 2024)		Short-term repair cost	0 yen
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		Long-term repair cost	144,920,000 yen
Date of trust beneficiary right to be set	March 1, 2024		Annualized average repair cost	12,070,000 yen (Annual average for 12 years)
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust period end	February 28, 2034			
Location	506-1 Toyofuta, Kashiwa-shi, Chiba and others			
Land area	36,736.43m ² (Note 1)	Building structure / stories	Building 1: Six-story steel-framed, steel-framed reinforced concrete structure with alloy steel sheet roof Annex 1: Single-story steel structure with galvanized steel sheet roof Annex 2: Single-story steel-framed concrete structure with alloy steel sheet roof Building 2: Single-story steel structure with alloy steel sheet roof Building 3: Single-story light-weight steel structure with alloy steel sheet roof Building 4: Single-story steel-framed concrete structure with galvanized steel sheet roof (Note 2) Annex 1: Single-story light-weight steel structure with galvanized steel sheet roof Building 5: Five-story steel-framed concrete structure with galvanized steel sheet roof Annex 1: Single-story concrete block structure with galvanized steel sheet roof Building 6: Single-story steel-framed concrete structure with galvanized steel sheet roof (Note 2)	
Zoning	Exclusive industrial area			
Floor area ratio / building-to-land ratio	200% / 60%			
Type of possession	Ownership			
Earthquake PML	8.1%	Completion	Building 1: March 31, 2008 Building 2: July 6, 2021 Building 3: June 28, 2021 Building 4: 1983 (no date recorded) (Note 2) Building 5: July 21, 1988 Building 6: 1985 (no date recorded) (Note 2)	
Collateral	None	Gross floor area	54,140.82m ² (Note 2)	
		Type	Building 1: Office, Warehouse Annex 1: Security guard station Annex 2: Storeroom Building 2: Warehouse Building 3: Pump room Building 4: Warehouse (Note 2) Annex 1: Security guard station Building 5: Warehouse Annex: Pump room	

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			Building 6: Warehouse (Note 2)
Special notes	<ul style="list-style-type: none"> A boundary confirmation has not been executed for part of the boundaries with the adjacent lands. Legal compliance issues were remarked in the building's Engineering Report, which is to be remedied on the seller's responsibility and burden. For the acquisition of this property, the SPC will promise the following to the lessee of the property: The SPC shall not, unless otherwise agreed by the lessee with prior written consent, sell, provide security for or dispose of the trust beneficiary right in the property and the property to any third party until February 28, 2029; provided, however, that this does not apply when any pledge or other security interest is established for the lenders from which funds for acquisition of the trust beneficiary right are borrowed and any third party acquires the trust beneficiary right in the property and the property by fulfilling such security interest. 		

(Note 1) Including a part of private road (approx. 25.85 m²)

(Note 2) Based on the application forms for the registration of land description as of January 29, 2024

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax)	Period of contract	Deposit
LOGISTEED, Ltd.①	1	54,140.82m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
LOGISTEED, Ltd.②	1	6,694.22m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
Total	2	60,835.04m ² (100.0%)	—	—	—

Revision of rent and termination during the lease period

LOGISTEED, Ltd.①

Contract type: Fixed-term building lease contract

Contract renewal and revision:

<Cancellation during the lease period>

The lessee is not allowed to cancel the lease contract until the expiration date.

<Rent Revision>

The rent shall not be revised for approx. 3.1 years from the execution of the lease contract. After that, the rent shall be automatically revised at the corresponding dates every three years (the "Rent Revision Dates"), starting from the first corresponding date after a lapse of five years from the execution thereof, based on fluctuations in the consumers' price index published by the Statistics Bureau of the Ministry of Internal Affairs and Communications (Core CPI). The fluctuation is the total product of the annual average core CPI plus 100% up to the Rent Revision Dates, and if the fluctuation is below 100%, it is set at 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.

Other:

- In the event that the lessee considers rebuilding, etc., of the building existing on the land of the property, it shall be possible to consult with the lessor regarding the extension of the term of this contract.
- If the fixed-term land lease contract for business purpose, which was signed the same day as the lease contract, is terminated for any reason, the lease contract shall also, automatically and concurrently, cease to be effective.
- The lessor shall neither, unless otherwise agreed by the lessee with prior written consent, from the lease commencement date to February 28, 2029, sell, provide security for or dispose of, or have a trust beneficiary sell, provide security for or dispose of the property any third party, nor give any approval of sale of, provision of security for or other disposal of the trust beneficiary right in conflict therewith.
- The lessor, if it intends to sell the property to any third party, shall give the lessee prior notice thereof and hold consultation with the lessee on potential purchase of the property. The lessee shall notify the lessor of whether it intends to hold consultation on potential purchase of the property within a certain period upon receipt of such notice. If and to the extent that the lessor and the lessee cannot reach an agreement on purchase of the property within a certain period from the lessee's notice to the lessor on its intention to hold consultation on potential purchase, or that the lessee notifies the lessor of its intention not to hold consultation on potential purchase of the property, the lessor may negotiate with any third party on sale of the property; otherwise the lessor must not negotiate with any third party on sale of the property.

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LOGISTEED, Ltd.②

Contract type: Fixed-term land lease contract for business purpose

Contract renewal and revision:

<Cancellation during the lease period>

The lessee is not allowed to cancel the lease contract until the expiration date.

<Rent Revision>

The lessor and the lessee shall not revise the rent during the contract term.

Other:

- In the event that it is certain that the term of this contract will expire and no extension contract or re-contract will be executed, or if this contract is terminated due to termination or cancellation, the lessee shall, in the event of the term of this contract being expired by the last day of the term of this contract, immediately after the termination of this contract, remove the building, etc., at its own expense, leave the land in the state of land reclamation, and vacate all of the land to the lessor.
- If the fixed-term building lease contract which signed the same day as the contract above, is terminated by any reason, the contract above shall also cease to be effective automatically concurrently.
- The lessor shall neither, unless otherwise agreed by the lessee with prior written consent, from the lease commencement date to February 28, 2029, sell, provide security for or dispose of, or have a trust beneficiary sell, provide security for or dispose of the property to any third party, nor give any approval of sale of, provision of security for or other disposal of the trust beneficiary right in conflict therewith.
- The lessor, if it intends to sell the property to any third party, shall give the lessee prior notice thereof and hold consultation with the lessee on potential purchase of the property. The lessee shall notify the lessor of whether it intends to hold consultation on potential purchase of the property within a certain period upon receipt of such notice. If and to the extent that the lessor and the lessee cannot reach an agreement on purchase of the property within a certain period from the lessee's notice to the lessor on its intention to hold consultation on potential purchase, or that the lessee notifies the lessor of its intention not to hold consultation on potential purchase of the property, the lessor may negotiate with any third party on sale of the property; otherwise the lessor must not negotiate with any third party on sale of the property.

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

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- Long-term Usability (Likelihood of Long-term Use by Current Tenant)
 - Key business location of LOGISTEED East Japan in the Kanto area
 - Long-term usability backed by the fixed-term building lease contract, etc. for business purpose for 20.1 years (non-cancellable)

- Versatility (Versatility as a Real Estate Asset)

<Location>

- Located facing National Route 16, a major loop line for the Kanto area, and also with good access to National Route 6 bound for Tokyo. By using the expressways, functions as an all-round distribution hub covering not only to Chiba, but also Tokyo and Saitama prefectures as well
- Located approx. 1.1 km from “Kashiwa” IC in the Joban Expressway, enabling access to both the Tokyo Gaikan Expressway and Ken-O Expressway via “Misato” Junction, and thus able to function as a wide-area distribution hub covering the entire Kanto area
- Located approx. 1.0km from “Kashiwa-Tanaka” station on Tsukuba Express, providing advantage in securing workforce from its proximity to the Kashiwa city center and residential areas within viewing distance

<Facility>

- High versatility with floor weight capacity of 1.5t/m² on each floor, and pillar span of 8.0m x 12.0m. Additionally possess high operational efficiency equipped with double-sided truck berths facing North and West on the ground floor, able to serve 30 trucks collectively, as well as three freight elevators and five vertical conveyers adding to the high loading capacity
- Parking space host eight resting spaces for trucks, and able to accommodate 80 cars, helping employees who drive to work



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Industrial & Infrastructure Fund Investment Corporation

【Keihin Logistics Center】

Type of asset	Real estate trust beneficiary right	Summary of building structure evaluation	Evaluator	ERI SOLUTION CO., LTD.
Anticipated acquisition date	March 4, 2024		Evaluation date	January 18, 2024
Anticipated acquisition price	18,060 million yen		Immediate repair cost	0 yen
Appraisal value	20,700 million yen (as of February 1, 2024)		Short-term repair cost	0 yen
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		Long-term repair cost	34,480,000 yen
Date of trust beneficiary right to be set	March 1, 2024		Annualized average repair cost	2,870,000 yen (Annual average for 12 years)
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust period end	February 28, 2034			
Location	3-2, Heiwajima 5-chome, Ota-ku, Tokyo			
Land area	9,842.60m ²	Building structure / stories	Building: Six-story steel structure with galvanized alloy steel sheet roof Annex 1: Two-story light-weight steel structure with galvanized alloy steel sheet roof Annex 2: Single-story light-weight steel structure with galvanized steel sheet roof Annex 3: Single-story steel-framed concrete structure with galvanized alloy steel sheet roof Annex 4: Single-story steel structure with galvanized alloy steel sheet roof	
Zoning	Semi-industrial area			
Floor area ratio / building-to-land ratio	300% / 60%			
Type of possession	Ownership			
Earthquake PML	12.9%	Completion	Building: December 5, 2008	
Collateral	None	Gross floor area	27,444.43m ²	
		Type	Building: Warehouse, Office Annex 1: Security guard station Annex 2: Waste disposal area Annex 3: Storeroom Annex 4: Parking space	
Special notes	<ul style="list-style-type: none"> A boundary confirmation has not been executed for the boundaries with a part of the adjacent lands. Legal compliance issues were remarked in the building's Engineering Report, which is to be remedied on the seller's responsibility and burden. For the acquisition of this property, the SPC will promise the following to the lessee of the property: The SPC shall not, unless otherwise agreed by the lessee with prior written consent, sell, provide security for or dispose of the trust beneficiary right in the property and the property to any third party until February 28, 2029; provided, however, that this does not apply when any pledge or other security interest is established for the lenders from which funds for acquisition of the trust beneficiary right are borrowed and any third party acquires the trust beneficiary right in the property and the property by fulfilling such security interest. 			

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax)	Period of contract	Deposit
LOGISTEED, Ltd.	1	27,444.43m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
Total	1	27,444.43m ² (100.0%)	—	—	—

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Revision of rent and termination during the lease period

Contract type: Fixed-term building lease contract

Contract renewal and revision:

<Cancellation during the lease period>

The lessee is not allowed to cancel the lease contract until the expiration date.

<Rent Revision>

The rent shall not be revised for five years from the execution of the lease contract. After that, the rent shall be automatically revised at the corresponding dates every three years (the "Rent Revision Dates"), starting from the first corresponding date after a lapse of five years from the execution thereof, based on fluctuations in the consumers' price index published by the Statistics Bureau of the Ministry of Internal Affairs and Communications (Core CPI). The fluctuation is the total product of the annual average core CPI plus 100% up to the Rent Revision Dates, and if the fluctuation is below 100%, it is set at 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.

Other:

- The lessor shall neither, unless otherwise agreed by the lessee with prior written consent, from the lease commencement date to February 28, 2029, sell, provide security for or dispose of, or have a trust beneficiary sell, provide security for or dispose of the property to any third party, nor give any approval of sale of, provision of security for or other disposal of the trust beneficiary right in conflict therewith.
- The lessor, if it intends to sell the property to any third party, shall give the lessee prior notice thereof and hold consultation with the lessee on potential purchase of the property. The lessee shall notify the lessor of whether it intends to hold consultation on potential purchase of the property within a certain period upon receipt of such notice. If and to the extent that that the lessor and the lessee cannot reach an agreement on purchase of the property within a certain period from the lessee's notice to the lessor on its intention to hold consultation on potential purchase, or that the lessee notifies the lessor of its intention not to hold consultation on potential purchase of the property, the lessor may negotiate with any third party on sale of the property; otherwise the lessor must not negotiate with any third party on sale of the property.

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

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Industrial & Infrastructure Fund Investment Corporation

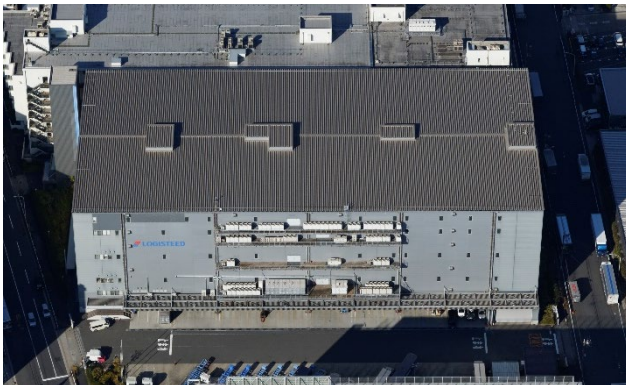
- Long-term Usability (Likelihood of Long-term Use by Current Tenant)
 - Key business location of LOGISTEED East Japan in the Tokyo area
 - Long-term usability backed by the fixed-term land lease contract for 20.1 years (non-cancellable)
- Versatility (Versatility as a Real Estate Asset)

<Location>

- Located close to “Heiwajima” IC approx. 0.3km on the Shuto Expressway No.1 Haneda Route, and convenient access to major highways and freeways situated approx. 1.2km to Loop Route 7, with high accessibility to major consumption centers within Tokyo, Yokohama, and Kawasaki
- Located near a concentrated area of logistics facilities and factories, and available for 24-hour operations in the long-term
- Approx. 10-minute walking distance from “Ryutsu Center” Station on the Tokyo Monorail, making it easy to commute by public transportation and providing a good employment environment

<Facility>

- High versatility with floor weight capacity of 1.5t/m² on the first, third and fourth floors, 1.0t/m² on the fifth and sixth floors, and pillar span of 9.6m x 10.8m. Additionally possess high operational efficiency equipped with truck berths able to serve 22 trucks on the ground floor, as well as three freight elevators and one vertical conveyer adding to the high loading capacity
- Parking space host eight resting spaces for trucks, and able to accommodate 80 cars, helping employees who drive to work



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【Oyamazaki Logistics Center】

Type of asset	Real estate trust beneficiary right	Summary of building structure evaluation	Evaluator	ERI SOLUTION CO., LTD.
Anticipated acquisition date	March 4, 2024		Evaluation date	January 19, 2024
Anticipated acquisition price	28,131 million yen		Immediate repair cost	0 yen
Appraisal value	34,070 million yen (as of February 1, 2024)		Short-term repair cost	0 yen
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		Long-term repair cost	181,460,000 yen
Date of trust beneficiary right to be set	March 1, 2024		Annualized average repair cost	15,120,000 yen (Annual average for 12 years)
Trustee	Mizuho Trust & Banking Co., Ltd.			
Trust period end	February 28, 2034			
Location	38, Koaza Kagamida, Aza Oyamazaki, Oyamazaki-cho, Otokuni-gun, Kyoto and others			
Land area	64,814.95m ²	Building structure / stories	Building: Seven-story steel structure with galvanized alloy steel sheet roof Annex 1: Single-story steel structure with galvanized alloy steel sheet roof Annex 2: Single-story steel structure with galvanized alloy steel sheet roof	
Zoning	Industrial area			
Floor area ratio / building-to-land ratio	200% / 60%			
Type of possession	Ownership			
Earthquake PML	8.8%	Completion	Building: January 31, 2003	
Collateral	None	Gross floor area	78,795.40m ²	
		Type	Building: Warehouse Annex 1: Resting room Annex 2: Toilet	
Special notes	<ul style="list-style-type: none"> Part of the land has surface rights established for the purpose of building a railway structure (underpass). A boundary confirmation has not been executed for the boundaries with the adjacent lands. Legal compliance issues were remarked in the building's Engineering Report, which is to be remedied on the seller's responsibility and burden. For the acquisition of this property, the SPC will promise the following to the lessee of the property: The SPC shall not, unless otherwise agreed by the lessee with prior written consent, sell, provide security for or dispose of the trust beneficiary right in the property and the property to any third party until February 28, 2029; provided, however, that this does not apply when any pledge or other security interest is established for the lenders from which funds for acquisition of the trust beneficiary right are borrowed and any third party acquires the trust beneficiary right in the property and the property by fulfilling such security interest. 			

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax)	Period of contract	Deposit
LOGISTEED, Ltd. ①	1	78,795.40m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
LOGISTEED, Ltd. ②	1	38,556.05m ² (100.0%)	— (Note)	20 years and 1 month (From March 1, 2024 to March 31, 2044)	— (Note)
Total	2	117,351.45m ² (100.0%)	—	—	—

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Revision of rent and termination during the lease period

LOGISTEED, Ltd.①

Contract type: Fixed-term building lease contract

Contract renewal and revision:

<Cancellation during the lease period>

The lessee is not allowed to cancel the lease contract until the expiration date.

However, if the lessor is able to execute a lease contract with a successor tenant (limited to those pre-approved by the lessee. The same shall apply hereinafter) that meets the economic conditions equivalent to that of the lessee, the lessor shall accept the cancellation of this contract.

<Rent Revision>

The rent shall not be revised for five years from the execution of the lease contract. After that, the rent shall be automatically revised at the corresponding dates every three years (the "Rent Revision Dates"), starting from the first corresponding date after a lapse of five years from the execution thereof, based on fluctuations in the consumers' price index published by the Statistics Bureau of the Ministry of Internal Affairs and Communications (Core CPI). The fluctuation is the total product of the annual average core CPI plus 100% up to the date of the rent revision, and if the fluctuation is below 100%, it is set at 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.

Other:

- In the event that the lessee considers rebuilding, etc., the building existing on the land of the property, it shall be possible to consult with the lessor regarding the extension of the term of this contract.
- If the fixed-term land lease contract for business purpose, which was signed the same day as the lease contract, is terminated for any reason, the lease contract shall also, automatically and concurrently, cease to be effective.
- The lessor shall neither, from the lease commencement date to February 28, 2029, sell, provide as security or dispose of, or have a trust beneficiary sell, provide as security or dispose of the property to any third party, nor give any approval to of sale, provision as security or disposal of the trust beneficiary right in conflict therewith.
- The lessor, if it intends to transfer the property to any third party, shall give the lessee prior notice thereof and hold consultation with the lessee on potential purchase of the property. The lessee shall notify the lessor of whether it intends to hold consultation on potential purchase of the property within a certain period upon receipt of such notice. If and to the extent that that the lessor and the lessee cannot reach an agreement on purchase of the property within a certain period from the lessee's notice to the lessor on its intention to hold consultation on potential purchase, or that the lessee notifies the lessor of its intention not to hold consultation on potential purchase of the property, the lessor may negotiate with any third party on transfer of the property; otherwise the lessor must not negotiate with any third party on transfer of the property.

LOGISTEED, Ltd.②

Contract type: Fixed-term land lease contract for business purpose

Contract renewal and revision:

<Cancellation during the lease period>

The lessee is not allowed to cancel the lease contract until the expiration date. However, if the lessor is able to execute a lease contract with a successor tenant that meets the economic conditions equivalent to that of the lessee, the lessor shall accept the cancellation of this contract.

<Rent Revision>

The rent shall not be revised for five years from the execution of the lease contract. After that, the rent shall be automatically revised at the corresponding dates every three years (the "Rent Revision Dates"), starting from the first corresponding date after a lapse of five years from the execution thereof, based on fluctuations in the consumers' price index published by the Statistics Bureau, Ministry of Internal Affairs and Communications (Core CPI). The fluctuation is the total product of the annual average core CPI plus 100% up to the date of the rent revision, and if the fluctuation is below 100%, it is set at 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.

Other:

- In the event that the lessee considers rebuilding, etc., the building existing on the land of the property, it shall be possible to consult with the lessor regarding the extension of the term of this contract.
- If the fixed-term building lease contract which signed the same day as the contract above, is terminated by any reason, the contract above shall also cease to be effective automatically concurrently.
- In the event that it is certain that the term of this contract will expire and no extension contract or re-contract will be executed, or if this contract is terminated due to termination or cancellation, the lessee shall immediately after the termination of this contract, remove the building, etc., at its own expense, leave the land in the state of land reclamation, and vacate all of the land to the lessor by the last day of the term of this contract in the event of the

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term of this contract being expired, or immediately after the termination of this contract if this contract is terminated due to termination or cancellation..

- The lessor shall neither, from the lease commencement date to February 28, 2029, sell, provide as security or dispose of, or have a trust beneficiary sell, provide as security or dispose of the property to any third party, nor give any approval to sale, provision as security or disposal of the trust beneficiary right in conflict therewith.
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(Note) IIF has not obtained the necessary permission from the lessee to disclose this information.

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

- Key business location of LOGISTEED West Japan in the Kyoto & Osaka area
- Long-term usability backed by the fixed-term building lease contract and fixed-term land lease contract for business purpose for 20.1 years (non-cancellable)

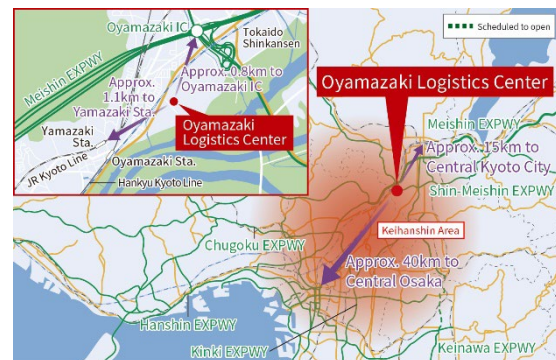
■ Versatility (Versatility as a Real Estate Asset)

<Location>

- Located between the Hokusetsu area in Osaka and Kyoto City, with good access to both cities situated approx. 40km from Osaka city center, and 15km from Kyoto city center
- Located closely (approx. 0.8km) from "Oyamazaki" IC of the Meishin Expressway and Keiji Bypass, and favorably stationed to cover the suburbs of both cities through accessing major highways and freeways
- Situated near a residential area, and approx. 1.1km from "Yamazaki" Station of the JR Kyoto Line, supporting commute by public transport

<Facility>

- A top-class facility in terms of scale compared to the logistic facilities and large-scale warehouses within Kyoto Prefecture, with land area of 64,814.95 m² and gross floor area of 78,795.40 m²
- Storage and supply depot for groceries and non-food merchandises equipped with cold storage and delivery as well as cross-docking facilities to the Kansai area. In addition, large-scale building specifications allow flexible warehouse operations
- High versatility with floor weight capacity of approx. 1.2~1.5t/m² each floor, and pillar span of 13.2m x 8.35m, as well as 54 truck berths on the ground and second floors optimizing delivery operations. Additionally, equipped with four freight elevators and eight vertical conveyers within the facility adding to the high loading capacity



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4. Status of Sellers, etc.

The seller of the Trust Beneficiary Rights, LOGISETEED, Ltd., falls under the category of an interested party in accordance with the Interested-Party Transaction Rules of the Asset Manager (the “Interested Party”). In addition, while IIF intends to make an equity investment in the SPC, the Asset Manager has been delegated management duties from the SPC. 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.

5. Future Outlook

Please refer to the “Notice Concerning Revised Forecast & Distributions for the Jan. 2024 FP and the July 2024 FP, and Forecast & Distributions for the Jan. 2025 FP” announced today for the forecast of IIF’s operating performance for the 34th fiscal period ending in July 2024 (February 1, 2024 – July 31, 2024) and the 35th fiscal period ending in January 2025 (August 1, 2024 – January 31, 2025).

(Reference) Other press releases announced today:

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

“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 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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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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