

March 31, 2021

To all concerned parties:

Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 3249)

Representative: Kumi Honda, Executive Director

URL: <https://www.iif-reit.com/english/>

Asset Management Company

Mitsubishi Corp.-UBS Realty Inc.

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Notice Concerning Disposition of One Property in Japan

[IIF Tsukuba Manufacturing Center (*land with leasehold interest*)]

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today that Mitsubishi Corp.–UBS Realty Inc., IIF’s asset manager (the “Asset Manager”), decided to dispose (the “Anticipated Disposition”) a real estate (the “Property to be Disposed” or just as the “Property”) as outlined below.

1. Summary of the Anticipated Disposition

1)	Type of asset	Real estate
2)	Asset category	Manufacturing, research and development facilities
3)	Property name	IIF Tsukuba Manufacturing Center (<i>land with leasehold interest</i>)
4)	Book value	957 million yen ^(Note 1)
5)	Disposition price	1,320 million yen ^(Note 2)
6)	Difference between disposition price and book value	362 million yen ^(Note 3)
7)	Appraisal value (survey price)	1,310 million yen (Value date: January 31, 2021)
8)	Contract signing date (scheduled)	April 1, 2021
9)	Delivery date (scheduled)	April 16, 2021
10)	Buyer	Domestic Operating Company ^(Note 4)
11)	Brokerage	There is a broker.

(Note 1) The book value is as of January 31, 2021.

(Note 2) The disposition price excludes miscellaneous expenses etc. for the disposition.

(Note 3) The difference between disposition price and book value is shown for reference purpose. The actual gain on sale is different from that value.

(Note 4) This is not disclosed as we have not obtained the buyer’s consent for disclosure.

2. Reason for Disposition

Disposition of the Property to a domestic operating company has been decided as a result of comprehensively taking into account the impact on the IIF's portfolio. The Property has been under stable management since the acquisition in January 2019. In considering mid-term management policy (including possibility of early lease cancellation in the future), we have recently received the proposal of the transaction from the buyer at the disposition price that is 37.8% higher than the book value. As a result of comparing the advantages of continuing to manage the Property in mid-to-long term and those of disposing the Property in terms of maintaining and improving profitability in the future, disposition of the Property to the buyer has been decided, based on the judgment that the realization of unrealized gain through early disposition of the Property contributes to improving unitholder's value.

The proceeds from the Anticipated Disposition will be used for various measures to increase unitholders' value such as acquisitions of new property in the future.

3. Information about Property to be Disposed

Property name		IIF Tsukuba Manufacturing Center (<i>land with leasehold interest</i>)				
Type of asset		Real estate				
Trustee		-				
Location		1-9-1, Kouyodai, Ryugasaki-shi, Ibaraki, Japan				
Acquisition date		January 11, 2019				
Acquisition price		900 million yen				
Land	Land area	17,721.03 m ²				
	Zoning	Industrial area				
	Floor area ratio/ building-to-land ratio	200% / 60%				
	Type of possession	Ownership				
Building	Building structure/ stories	-				
	Construction completion	-				
	Total floor area	-				
	Type of possession	-				
	Use	-				
	Earthquake PML	-				
Tenant summary	Tenant (Number of tenants)	IDEC Corporation (1 company)				
	Total rental business revenue(annual)	Not disclosed ^(Note)				
	Security deposit	Not disclosed ^(Note)				
	Total leased area	17,721.03 m ²				
	Total leasable area	17,721.03 m ²				
	Occupancy rate (based on leased area)	July 31, 2019	January 31, 2020	July 31, 2020	January 31, 2021	Current date
		100%	100%	100%	100%	100%
	Collateral conditions		None			
Special notes		None				

(Note) This is not disclosed as we have not obtained the tenant's consent for disclosure.

4. Profile of Buyer

Although the buyer is a domestic operating company, the buyer's profile cannot be disclosed as we have not obtained consent from the buyer with respect to disclosure. There are no notable capital, personal or business relationships between IIF / the Asset Manager and the buyer, and there are no notable capital, personal or business relationships between interested parties and affiliated companies of IIF / the Asset Manager and those of the buyer. None of the buyer, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

5. Profile of Broker

Although the broker is a domestic operating company, the broker's profile cannot be disclosed as we have not obtained consent from the broker with respect to disclosure. There are no notable capital, personal or business relationships between IIF / the Asset Manager and the broker, and there are no notable capital, personal or business relationships between interested parties and affiliated companies of IIF / the Asset Manager and those of the broker. None of the broker, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

6. Means of Payment

The settlement will be conducted by a lump sum on the scheduled date of delivery.

7. Scheduled Date of Disposition

	IIF Tsukuba Manufacturing Center (<i>land with leasehold interest</i>)
Contract signing date (scheduled)	April 1, 2021
Payment date(scheduled)	April 16, 2021
Delivery date (scheduled)	April 16, 2021

8. Future Outlook of IIF

The impact of the Anticipated Disposition on IIF's operating status for the period ending July 2021 (the 28th fiscal period: February 1, 2021 to July 31, 2021) is not material and the forecast of operating status for the same period after Anticipated Disposition remains unchanged.

9. Summary of Appraisal Report (Price Survey Report)

Appraiser	CBRE K.K.
Appraisal value	1,310 million yen
Appraisal value as of:	January 31, 2021

Item	Value	Notes
Indicated value based on income approach	1,310 million yen	
DCF method	1,310 million yen	Adopted the appraisal by the DCF method due to the acquisition of only land with leasehold interest.
Discount rate	5.0%	
Terminal capitalization rate	-	The terminal capitalization rate is not adopted as it is assumed based on the fixed-term leasehold agreement for business purposes that the land will be returned as a vacant site after the expiry of the lease term.
Other matters that the appraisal firm considered upon conducting the appraisal	None	

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: 81-3-5293-7090), Head of Industrial Division at Mitsubishi Corp.-UBS Realty, Inc., 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.