

July 27, 2020

To all concerned parties:

Investment Corporation

**Industrial & Infrastructure Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 3249)

Representative: Yasuyuki Kuratsu, Executive Director

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Asset Management Company

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### **Notice Concerning New Debt Financing**

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today its decision with respect to debt financing (the “Debt Financing”), as outlined below.

#### 1. Overview

As announced in “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Shonan Health Innovation Park (3% co-ownership interest)】” released as of June 12, 2020 and “IIF to Acquire and Lease Three Properties in Japan” released as of today, IIF is planning to acquire three properties (the “Anticipated Acquisitions”) on or after August 12, 2020 for approximately 46.3 billion yen (excluding tax and acquisition costs). The proceeds from the new long-term debt of 23.8 billion yen will be allocated to a portion of the funds for acquisition of the Anticipated Acquisitions.

#### <Outline of the Financing>

##### **【Rationale of the Debt Financing】**

- **Further improved stability by constructing robust balance sheet: To promote ALM (Asset Liability Management) strategy and establish stable balance sheet, improving stability in our financial condition by borrowing long-term debt with fixed interest rates**

##### **Total Amount to be borrowed: 23.8 billion yen**

- **Average Borrowing period <sup>(Note1)</sup>: 8.3 years**
- **Average Interest Rate (estimate) <sup>(Note2)</sup>: 0.36%**

(Note 1) Weighted average based on the borrowing amounts. The same shall apply hereinafter.

(Note 2) Weighted average based on the borrowing amounts. Since the applicable interest rates are not yet determined as of the date of this press release, individual interest rates are calculated by adding the spread set forth in each loan agreement to the rate calculated based on the offered rate, etc., of the fixed interest rate (Reuters Page 9154) published at 11:00 a.m. on July 10, 2020 (Tokyo Time), by taking into account the loan agreements associated with this new borrowings executed on July 27, 2020. Since the applicable interest rates are determined before each borrowing is completed based on the loan agreements executed on July 27, 2020, the average interest rate (estimate) above may differ from the actual applicable interest rates. The actual applicable interest rates may deviate significantly from the average interest rate (estimate) above when the trend of interest rates changes drastically due to factors such as rapid changes in the economic environment, among other factors.

Note: This press release is intended as general information for the press regarding IIF's debt financing in Japan, and has not been prepared for the purpose of solicitation of investment, etc, regardless of the country. This press release does not constitute or form a part of any offer of securities in the United States of America. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to herein will not be publicly offered or sold in the United States.

## 2. Debt Financing

## (i) Overview of Debt Financing

	Borrowing Period	Amount (million yen)	Fixed / Float	Interest Rate (Note 1)	Lender	Contract Execution Date	Scheduled Borrowing Date	Maturity Date (Note 3)	Remarks, Repayment Method
Debt 1	3.0 years	1,000	Fixed	TBD (Note2)	Sumitomo Mitsui Banking Corporation	July 27, 2020	September 28, 2020	September 28, 2023	Unsecured and unguaranteed, lump sum repayment
Debt 2	3.5 years	1,000		TBD (Note2)	MUFG Bank, Ltd.			March 28, 2024	
Debt 3	4.0 years	1,300		TBD (Note2)	Sumitomo Mitsui Trust Bank, Limited			September 30, 2024	
Debt 4	6.0 years	1,500		TBD (Note2)	Sumitomo Mitsui Banking Corporation			September 28, 2026	
Debt 5	6.5 years	1,500		TBD (Note2)	Sumitomo Mitsui Trust Bank, Limited			March 29, 2027	
Debt 6	7.0 years	1,200		TBD (Note2)	Sumitomo Mitsui Trust Bank, Limited			September 28, 2027	
Debt 7	8.5 years	2,500		TBD (Note2)	The Norinchukin Bank			March 28, 2029	
Debt 8	9.0 years	1,500		TBD (Note2)	Sumitomo Mitsui Banking Corporation			September 28, 2029	
Debt 9	9.5 years	1,000		TBD (Note2)	MUFG Bank, Ltd.			March 28, 2030	
Debt 10	9.5 years	1,000		TBD (Note2)	Mizuho Bank, Ltd.			March 28, 2030	
Debt 11	10.0 years	3,000		TBD (Note2)	MUFG Bank, Ltd.			September 27, 2030	
Debt 12	10.0 years	1,500		TBD (Note2)	Shinsei Bank, Limited			September 27, 2030	
Debt 13	10.0 years	3,000		TBD (Note2)	Mizuho Bank, Ltd.			September 27, 2030	
Debt 14	11.0 years	2,800		TBD (Note2)	Development Bank of Japan Inc.			September 29, 2031	

Average Borrowing Period	Total Amount
8.3 years	23,800 million yen

(Note 1) For Debt 2, 9 and 11, interest payments will start on December 30, 2020, followed by the last days of March, June, September and December until the maturity date (if the corresponding date falls on a non-business day, the immediately following

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business day is adopted; and, if the immediately following business day falls on the next calendar month, the immediately preceding business day is adopted) and the maturity date. For other Debts, interest payments will start on December 30, 2020, followed by the last days of March, June, September and December until the maturity date (if the corresponding date falls on a non-business day, the immediately preceding business day is adopted) and the maturity date.

(Note 2) The interest rate will be determined on or before the scheduled borrowing date based on the loan agreement dated July 27, 2020. The announcement on the interest rate will be made as soon as it is determined.

(Note 3) For Debt 2, 9 and 11, maturity date is, if any corresponding date falls on a non-business day, the immediately following business day, and if such day falls on a day in the following month, the immediately preceding business day. For other Debts, maturity date is, if any corresponding date falls on a non-business day, the immediately preceding business day.

(ii) **Reasons for Debt Financing**  
Please refer to 1. Overview.

3. **IIF's Debt after the Debt Financing (after September 28, 2020)**

(million yen)

	Before Debt Financing	After Debt Financing	Change
Short-term Borrowings	0	0	0
Long-term Borrowings <sup>(Note)</sup>	160,583	184,383	+23,800
Total Borrowings	160,583	184,383	+23,800
Investment Corporation Bonds	10,000	10,000	0
Total of Borrowings and Investment Corporation Bonds	170,583	194,383	+23,800

(Note) The amount of long-term borrowings includes the current portion of long-term borrowings.

4. **Others**

For the risks associated with the Debt Financing, please refer to "Investment Risk" stated in the Securities Registration Statement filed on July 27, 2020.

Reference: Other press releases announced today:

"IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units"

"IIF to Acquire and Lease Three Properties in Japan"

"Notice Concerning Revision of Forecast of Operating Results and Distributions for the January 2021 (27th) Fiscal Period and Forecast of Operating Results and Distributions for the July 2021 (28th) Fiscal Period"

"Supplementary Material for Press Releases announced on July 27, 2020"

**About IIF:** Industrial and 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/>

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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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