

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

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

Asset Management Company

**Mitsubishi Corp.-UBS Realty Inc.**

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### **IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units**

Industrial & Infrastructure Fund Investment Corporation ("IIF") announced today that its board of directors, at a meeting held on July 27, 2020, 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 ("Public Offering")

- |     |  |   |
|-----|--|---|
| (1) | Number of investment units to be offered       | 181,000 investment units of IIF ("IIF Investment Unit(s)")  |
| (2) | Amount to be paid in (Issue value)             | To be determined.<br>(The price shall provisionally be calculated in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association, and then be determined at the board of directors' meeting to be held on a date between Tuesday, August 4, 2020 and Tuesday, August 11, 2020 ("Issue Price Determination Date"). The amount to be paid in (issue value) refers to the amount IIF shall receive from underwriters as the payment proceeds per IIF Investment Unit.)  |
| (3) | Total amount to be paid in (Total issue value) | To be determined.   |
| (4) | Offering method                                | <p>(i) The offering of the IIF Investment Units shall be through a public offering (primary offering), and underwritten in full by a group of underwriters (collectively referred to as the "Underwriters"). A part of the above IIF Investment Units may be sold to overseas investors in overseas markets including Europe and Asia (but excluding the United States and Canada).</p> <p>(ii) The issue price (offer price) for the Public Offering shall be determined on the Issue Price Determination Date taking into consideration the level of demand and other factors, using as a tentative price the figure obtained by multiplying the closing price of the IIF Investment Units for ordinary 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), in accordance with the method stated in Article 25 of the Regulations Concerning</p> |

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## Industrial & Infrastructure Fund Investment Corporation

- Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association.
- (5) Compensation for 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 Public Offering shall represent the Underwriters' compensation.
  - (6) Subscription unit One unit or more in multiples of one unit.
  - (7) Subscription period for the Public Offering From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date.
  - (8) Payment Date Any date between Tuesday, August 11, 2020 and Monday, August 17, 2020, provided that the date shall be four business days after the Issue Price Determination Date.
  - (9) Delivery Date The following business day of the Payment Date.
  - (10) 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.
  - (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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## 2. Secondary Offering of Investment Units (“Offering through the Over-Allotment”)

- |      |  |   |
|------|--|---|
| (1)  | Seller and number of investment units to be offered  | The Underwriter: 9,000 units<br>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 which the Underwriter will conduct taking into consideration the level of demand and other factors. Depending on the level of demand and other factors of the 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 of the Public Offering. |
| (2)  | Selling price  | To be determined.<br>(To be determined on the Issue Price Determination Date. The selling price shall be identical to the issue price (offer price) of the Public Offering.)  |
| (3)  | Total selling price  | To be determined.   |
| (4)  | Offering method  | Depending on the level of demand and other factors of the Public Offering, the Underwriter shall offer the IIF Investment Units by borrowing a maximum of 9,000 units from Mitsubishi Corporation, a unitholder of IIF Investment Units.  |
| (5)  | Subscription unit  | One unit or more in multiples of one unit.  |
| (6)  | Subscription period  | Identical to the subscription period for the Public Offering.   |
| (7)  | Delivery date  | The following business day of the Payment Date for the Public Offering.   |
| (8)  | Should the Public Offering be suspended, the Offering through the Over-Allotment shall also be suspended.  |   |
| (9)  | 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.          |   |
| (10) | 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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## 3. Issuance of New Investment Units through Third-Party Allotment ("Third-Party Allotment")

- |      |   |   |
|------|---|---|
| (1)  | Number of investment units to be offered  | 9,000 units   |
| (2)  | Amount to be paid in (Issue value)  | To be determined.<br>(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 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  | The Underwriter: 9,000 units  |
| (5)  | Subscription unit   | One unit or more in multiples of one unit.  |
| (6)  | Subscription period (Subscription date)   | Monday, September 7, 2020   |
| (7)  | Payment date  | Tuesday, September 8, 2020  |
| (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 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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## &lt;Reference&gt;

## 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 Public Offering, the Underwriter may offer the IIF Investment Units by borrowing a maximum of 9,000 units from Mitsubishi Corporation, a unitholder of IIF Investment Units. The number of IIF Investment Units to be offered through the Offering through the Over-Allotment is planned to be 9,000. However, it is the maximum number of IIF Investment Units to be offered and, depending on the level of demand and other factors, the number of units may be reduced, or the Offering through the Over-Allotment 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 Tuesday, September 8, 2020 was determined by resolution at the board of directors' meeting of IIF held on Monday, July 27, 2020, for the purpose of satisfying the obligation of the Underwriter to return the IIF Investment Units borrowed from the unit holder above (the "Borrowed IIF Investment Units").

Additionally, the 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 Public Offering and the Offering through the Over-Allotment until Wednesday, September 2, 2020 (hereinafter referred to as 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 Underwriter through the Syndicated Cover Transaction will be used to return the Borrowed IIF Investment Units. During the Syndicated Cover Transaction Period, the 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 Underwriter may engage in stabilizing transactions related to the 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.

As for the remaining number of units after reducing the number of IIF Investment Units purchased 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 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.

The Underwriter will conduct the transactions described above upon consultation with the other joint lead managers.

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

Current number of issued investment units outstanding:	1,880,016 units
Number of new investment units to be issued in the Public Offering:	181,000 units
Total number of issued investment units after the Public Offering:	2,061,016 units
Increase in the number of investment units from the Third-Party Allotment:	9,000 units <sup>(Note 1)</sup>
Total number of issued investment units after the Third-Party Allotment:	2,070,016 units <sup>(Note 1)</sup>

(Note 1) Representing the case where the 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 2) The ratio of the number of new investment units issued through the Public Offering 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 Public Offering and the Third-Party Allotment divided by the current total number of issued and outstanding investment units) is 10.1%.

**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 properties (as defined in Article 2, Paragraph 1 of the Law concerning 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, Specific Use of Proceeds and Scheduled Timing of Expenditure**
**(1) Amount of funds to be financed (approximate net proceeds amount to be obtained)**

33,125,170,000 yen (maximum)

(Note) The above amount represents the total sum of 31,556,083,000 yen proceeds from the Public Offering, and 1,569,087,000 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, July 10, 2020.

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

The proceeds from the Public Offering and the Third-Party Allotment will be allocated to a part of the funds to acquire new specified properties as indicated in the press release “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Shonan Health Innovation Park (3% co-ownership interest)】” announced on June 12, 2020 and “IIF to Acquire and Lease Three Properties in Japan” announced on July 27, 2020.

**5. Designated Allottee of Distribution**

None.

**6. Others (Restrictions on Sales and Additional Issuances)**

- (1) Mitsubishi Corp.-UBS Realty Inc. has agreed with the joint lead managers in regards to the Public Offering not to engage in the sales and certain other transactions of the investment units owned prior to the Public Offering without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to a date 180 days from the delivery date of the Public Offering.
- (2) Mitsubishi Corporation has agreed with the joint lead managers in regards to the Public Offering not to engage in the sales and certain other transactions of the investment units owned prior to the Public Offering without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to a date 180 days from the delivery date of the Public Offering (excluding the lending of the investment units upon the Offering through the Over-Allotment).
- (3) IIF has agreed with the joint lead managers in regards to the Public Offering not to engage in the issuance of the investment units and certain other transactions without the prior written consent of the joint lead managers during the period starting from the Issue Price Determination Date to the date 90 days from the delivery date of

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the Public Offering (excluding the Public Offering, 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 lead managers 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:

“IIF to Acquire and Lease Three Properties in Japan”

“Notice Concerning New Debt Financing”

“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 Release 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/>

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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