

July 27, 2020

To all concerned parties:

Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 3249)

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IIF to Acquire and Lease Three Properties in Japan

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced today that Mitsubishi Corp.–UBS Realty Inc., IIF’s asset manager (the “Asset Manager”), decided to acquire and lease domestic real estate trust beneficiary rights (the “Anticipated Acquisitions”) as outlined below.

1. Summary of Anticipated Acquisitions

Property number (Note 1)	Property name ^(Note 2)	Location	Seller (Note 5)	Anticipated acquisition price (million yen)	Appraisal value ^(Note 7) (million yen)	Appraisal NOI yield (Note 8)	Appraisal NOI yield (after depreciation) ^(Note 8)	Anticipated acquisition date
F-22	IIF Shonan Health Innovation Park (57% co-ownership interest) (Note 3) (Note 4)	Fujisawa-shi, Kanagawa	Takeda Pharmaceutical Company Limited ^(Note 6)	21,945	24,396	6.5% (6.2%) (After additional CAPEX) (Note 9)	5.1% (4.8%) (After additional CAPEX) (Note 9)	September 30, 2020
F-23	IIF Ichihara Manufacturing Center (land with leasehold interest)	Ichihara-shi, Chiba	Japanese Operating Company ^(Note 6)	15,910	18,230	5.7%	5.7%	October 5, 2020
L-50	IIF Shonan Logistics Center	Koza-gun, Kanagawa	Toda Corporation (Note 6)	7,380	8,200	4.9%	4.2%	August 12, 2020 ^(Note 10)

(Note 1) “Property number” classifies properties owned or to be acquired by IIF into three categories, namely, L (logistics facilities), F (manufacturing, research and development facilities) and I (infrastructure facilities).

(Note 2) “Property name” indicates the name that IIF plans to use for each property after the Anticipated Acquisitions. These properties do not have registered names as of the date of this press release. The same shall apply hereinafter.

(Note 3) IIF will acquire 60% co-ownership interest in IIF Shonan Health Innovation Park on September 30, 2020 in total, as IIF Shonan Health Innovation Park (57% co-ownership interest) will be acquired on the same day as the 3% co-ownership interest in the property as announced via the press release dated June 12, 2020, “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Shonan Health Innovation Park (3% co-ownership interest)】”. For “Anticipated acquisition price” and “Appraisal value”, the appraisal values for the entire property, multiplied by the percentage of co-ownership interest (57%) are shown. The same shall apply hereinafter.

(Note 4) IIF will be given preferential negotiation right, which IIF could exercise the preferential negotiation right from September 30, 2020 to the last day of March 2022, with the condition for pricing at 15,400 million yen, to acquire the remaining 40% co-ownership interest continued to be owned by the bridge seller. For more details, please see “4. Overview of the Preferential Negotiation Right”. IIF shall determine whether to exercise the preferential negotiation right based on the comprehensive analysis including the status of the acquisition pipelines, financial strategy, and operational status of the current portfolio.

(Note 5) All the properties are acquired through a bridge structure, and the names of the sellers indicated are the actual seller instead of the name of the bridging entities. If IIF has not obtained the necessary permission from the seller or the bridge seller to disclose its name, it is indicated as a Japanese Operating Company. The same shall apply hereinafter.

(Note 6) The bridge seller is the same Japanese operating company. The bridge seller is not an interested party of IIF and the Asset Manager.

Note: This press release is intended as general information for the press regarding IIF’s acquisition and lease of real estate trust beneficiary interests in real estate 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.

(Note 7) The appraisal value is based on the figure shown on the appraisal report as of June 1, 2020.

(Note 8) For “Appraisal NOI yield” and “Appraisal NOI yield (after depreciation)”, please refer to “Reference: Definitions of Individual Calculation Formulas” at the end of this press release.

(Note 9) For IIF Shonan Health Innovation Park (57% *co-ownership interest*), Appraisal NOI yield (after additional CAPEX) is indicated in the parentheses as additional CAPEX is scheduled. Appraisal NOI Yield after additional CAPEX is calculated as the sum of the anticipated acquisition price and an estimated cost of the additional CAPEX of JPY 1.14 billion to be incurred by IIF after the acquisition (calculated by multiplying the estimated entire cost of the additional CAPEX of JPY 2.0 billion by 57%, equivalent to the co-ownership interest IIF will acquire). Appraisal NOI Yield (after depreciation) following the additional CAPEX is calculated by adding estimated depreciation that will increase due to the estimated cost of the additional CAPEX of JPY 1.14 billion to be incurred by IIF. The estimated cost of the additional CAPEX is a pro forma amount as of today and may change thereafter.

(Note 10) If the “Issue Price Determination Date” becomes August 5, 2020, the “Anticipated acquisition date” will be changed to August 13, 2020. If the “Issue Price Determination Date” becomes August 6, 2020, the “Anticipated acquisition date” will be changed to August 14, 2020. If the “Issue Price Determination Date” becomes August 7, 2020, the “Anticipated acquisition date” will be changed to August 17, 2020. If the “Issue Price Determination Date” becomes August 11, 2020, the “Anticipated acquisition date” will be changed to August 18, 2020. For details, please refer to “IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units” announced today. The same shall apply hereinafter.

2. Reason for Acquisitions and Leases

IIF decided to acquire the Anticipated Acquisitions based on its judgment that the characteristics of the properties are aligned with IIF’s investment strategies, specifically, the acquisition of quality assets that would contribute to increase cash distributions per unit. In deciding whether to acquire the three properties to be acquired, we evaluated the properties in terms of profitability, long-term usability and versatility.

Please refer to section “3. Summary of Anticipated Acquisitions and Leases” for the details and reasons for acquisition and lease of the individual properties.

With regards to the reasons for the lease of the Anticipated Acquisitions, we are of the view that each tenant of the Anticipated Acquisitions meets the tenant selection criteria set forth in the “Report on the Management Structure and System of the Issuer of REIT Units and Related Parties”, released as of April 24, 2020.

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3. Summary of Anticipated Acquisitions and Leases

【IIF Shonan Health Innovation Park (57% co-ownership interest)】

(1) Summary of Property

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	SOMPO RISK MANAGEMENT
Anticipated acquisition date ^(Note)	September 30, 2020		Evaluation date	March 16, 2020
Anticipated acquisition price ^(Note)	21,945 million yen		Immediate repair cost	0 yen
Appraisal value ^(Note)	24,396 million yen		Short-term repair cost	0 yen
Appraiser	Japan Real Estate Institute		Long-term repair cost	16,450,140,000 yen
Date of trust beneficiary rights set	September 30, 2020		Annualized average repair cost	1,370,845,000 yen (annualized average of 12 years)
Trustee	Sumitomo Mitsui Trust Bank Limited			
Trust period end	September 30, 2030			
Location	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa, Japan			
Land area	220,356.28 m ²	Building structure / stories	Main building: 9-story steel frame roof Annex 1: 2-story steel-structured flat roof Annex 2: One-story steel-framed flat roof Annex 3: One-story steel-framed flat roof Annex 4: Reinforced concrete galvanized steel sheet flat house Annex 5: Steel frame alloy-plated steel sheet flat house Annex 6: Reinforced concrete galvanized steel sheet flat house Annex 7: Steel-framed aluminum sheet-pated flat house Annex 8: Steel frame alloy-plated steel sheet flat house	
Zoning	Industrial area / Industrial-only area			
Floor area ratio/building-to-land ratio	200%／60%			
Type of Possession	Ownership			
Earthquake PML	0.3%	Completion	Main building: February 15, 2011 Annex 1~7: September 6, 2011 Annex 8: August 29, 2013	
Collateral	None	Gross floor area	Main building: 293,276.42m ² Annex 1: 4,122.46 m ² Annex 2: 354.81 m ² Annex 3: 211.91 m ² Annex 4: 174.29 m ² Annex 5: 109.68 m ² Annex 6: 93.72 m ² Annex 7: 18.15 m ² Annex 8: 74.20m ²	
		Type of building	Main building: R&D Center Annex 1: Machine room, office Annex 2: Incineratin plant Annex 3: Pump room Annex 4: Warehouse Annex 5: Guardhouse Annex 6: Warehouse Annex 7: Guardhouse Annex 8: Locker room	
Special notes	・ With respect to the acquisition of the Anticipated Acquisition, IIF will execute an agreement with the other co-ownership interest holder of the trust beneficiary right and the trustee. The main contents of the relevant agreement are as follows: -Decisions on certain important matters shall be made upon unanimous consent from			

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	<p>co-ownership interest holders. If such decisions are not made within a specified period, it shall be considered that co-ownership interest holders determine not to approve the relevant matter. With respect to the other matters, the co-ownership interest holder whose ownership ratio is the largest shall make a decision.</p> <p>-Any co-ownership interest holder may not transfer or dispose of all or part of its co-ownership interest without prior consent of other co-ownership interest holders (provided, however, that other co-ownership interest holders may not withhold or reject provision of such consent without reasonable reason, save that the third party to which the interest is proposed to be transferred is considered as an anti-social force) and if any co-ownership interest holder disposes of its co-ownership interest and any other co-ownership interest holder wishes to purchase such interest, the holder shall give priority to the relevant other co-ownership interest holder in negotiations over transfer. If such co-ownership interest holder intends to transfer the relevant co-ownership interest to any other third party at a lower price notified to the relevant other co-ownership interest holder during the negotiations, the relevant other co-ownership interest holder has the right to purchase the relevant co-ownership interest at such lower price.</p> <ul style="list-style-type: none"> • The trustee will outsource Mitsubishi Corporation regarding the operation of this property, including advice on the optimal composition of tenants that will be the basis for revitalizing the facility and creating innovation. • Prior to the acquisition of the property, IIF requested EAI Co., Ltd. for a soil contamination review regarding the soil contamination risk assessment by Field Partners Co., Ltd., which was acquired by Takeda Pharmaceutical Company Limited (the "Takeda Pharmaceutical"). As a result, non-compliance with the elution standard of hexavalent chromium, arsenic, fluorine and lead has been confirmed in the target area, and although groundwater pollution by fluorine has been confirmed, there is no drinking well in the target area and no use of groundwater for drinking, and possibility of spread into surrounding areas is low. Therefore, the possibility of health damage to building users, etc. in the current building usage is low. • There are some findings pointed out in the engineering report, but such findings are planned to be corrected before the anticipated acquisition date.
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(Note) IIF intends to acquire 60% co-ownership interest of the trust beneficiary right in real estate of this property on "Anticipated acquisition date"; however, all information described in the above table is for this property as an entire property except for "Anticipated acquisition price" and "Appraisal value", for which amount of money related to the 57% co-ownership that IIF concludes the purchase and sale agreement as of today is shown

(2) Description of Leases Relating to Anticipated Acquisitions

Tenant(s)	Number of tenant(s) (Note 1)	Total leased area (occupancy rate) (Note 2)	Annual rent (excluding consumption tax) (Note 3)	Period of contract	Deposit ^(Note 3)
Takeda Pharmaceutical ^(Note 4)	1	112,912.33 m ² (91.9%)	-	20 years (from September 30, 2020 until September 29, 2040) (Note 4)	-
Lessee 1	1	- (Note 3)	-	- (Note 3)	-
Lessee 1	1	- (Note 3)	-	- (Note 3)	-
Lessee 1	1	- (Note 3)	-	- (Note 3)	-
Lessee 1	1	- (Note 3)	-	- (Note 3)	-
Lessee 1	1	- (Note 3)	-	- (Note 3)	-
Lessee 2	1	- (Note 3)	-	- (Note 3)	-
Lessee 3	1	- (Note 3)	-	- (Note 3)	-

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Total	8	122,906.2953 m ² (100%)	-	-	-
Revision of rent or termination during the lease period					
<ul style="list-style-type: none"> ● Takeda Pharmaceutical Contract Type: Ordinary building lease (futsu tatemono chintaishaku keiyaku) Contract Renewal and Revision: <ul style="list-style-type: none"> • The rent will not be revised for any reason during the lease period^(Note 5) • The lessee may terminate the whole or part of the lease contract regarding part of the leased area (63,460.33 m²), including subleased areas by notifying the lessor in writing at least 1 year and 6 months prior to the expected termination date after exceeding the lease period of 5 years. The lessee may terminate the entire lease contract by notifying the lessor in writing at least 1 year and 6 months prior to the expected termination date after exceeding the lease period of 10 years ● Lessee 1 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 1 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 1 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 1 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 1 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 2 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information ● Lessee 3 Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> • IIF has not obtained the necessary permission from the lessee to disclose the other information <p>Others :</p> <ul style="list-style-type: none"> • None 					

(Note 1) The number of tenants is based on the number of the building lease contract terms stipulated in each lease contract.

(Note 2) IIF will acquire 60% co-ownership interest in this property and enter into the sale and purchase agreement today regarding the 57% co-ownership interest of the property. However, “total leased area (occupancy rate)” described in the above table represents the entire property.

(Note 3) IIF has not obtained the necessary permission from the lessees to disclose this information.

(Note 4) These terms are based on the lease contract executed between Takeda Pharmaceutical and the bridge seller on March 31, 2020. Regarding this lease contract, Takeda Pharmaceutical sublets, in a form of master-lease, part of the leased area. The subleased area is 33,752.25m² and is included in the above total leased area for Takeda Pharmaceutical.

(Note 5) As the contract is an ordinary building lease contract, any right to request rent decrease as provided in the Act on Land and Building Leases (Act No.90 of 1991, as amended) (the “Act on Land and Building Leases”) is not eliminated.

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(3) Reasons for the Acquisition

■Key Points

- Secure stable profit over the medium term through a master lease agreement with Takeda Pharmaceutical.
- The Asset Manager and Takeda Pharmaceutical have executed basic agreement regarding revitalization of the facility and will work to further improve the asset value by utilizing the knowledge of Mitsubishi Corporation.
- Once vacant lots are leased up and master lease agreement is switched to direct lease agreement with end tenants in the medium to long term^(Note), there will be opportunities for profitability improvement.

(Note) The lease contract for IIF Shonan Health Innovation Park (in which IIF will acquire 60% of co-ownership interest) stipulates that it may be partially cancelled for some sections of the property, including those subleased by Takeda Pharmaceutical, upon Takeda Pharmaceutical's instructions in and after April 2026. If the contract is cancelled, it is possible to switch to direct contracts with Takeda Pharmaceutical and other end tenants for the sections for which the contract has been cancelled. However, since such cancellation is not guaranteed and IIF has no right to cancel the contract, it may not be possible to switch to direct contracts with end tenants. The same shall apply hereinafter.

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

- Large-scale research and development facility of Takeda Pharmaceutical ("Shonan Health Innovation Park" (abbreviated as "Shonan iPark")) opened in April 2018
- Facility where companies and medical institutions such as drug discovery, drug discovery support, next-generation medical care, AI/IOT, venture capital, etc. gather from sector of industry, government, and academia, and aim for industrialization in the cutting-edge medical field such as "regenerative medicine", "scarce disease", "dementia", and "mibyō" (Presymptomatic disease), which are expected to expand in the market
- High continuity backed by building lease contract of 20 years (non-cancelable period of 5 years) with Takeda Pharmaceutical

■Versatility (Versatility as a Real Estate Asset)

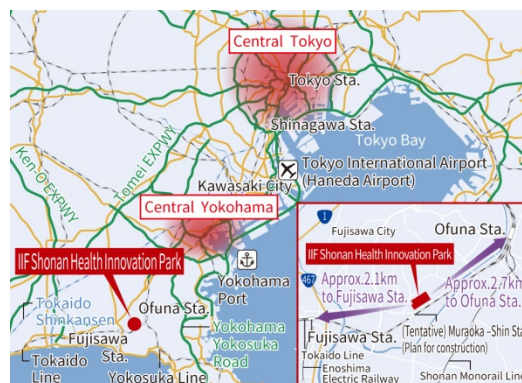
<Location>

- Location on approximately 2.7 km from Ofuna station, and approximately 2.1 km from Fujisawa station of the JR Tokaido Line, and accessibility to bases in Japan and overseas due to good access to Tokyo International Airport (Haneda Airport) There is also a plan to construct a new station near the facility

<Facility>

- Facility designed, constructed, and operated for mainly of research on drug discovery, and high versatility as facility for companies which develop pharmaceuticals
- Approximately 60 companies moved in to the property, as of June 30, 2020, with complete research and office facilities that support not only the needs of large companies to move their research institutes but also drug discovery venture companies

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<Exteriors>



<Interiors>



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【IIF Ichihara Manufacturing Center (*land with leasehold interest*)】

(1) Summary of Property

Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	--
Anticipated acquisition date ^(Note 1)	October 5, 2020		Evaluation date	--
Anticipated acquisition price	15,910 million yen		Immediate repair cost	--
Appraisal value	18,230 million yen		Short-term repair cost	--
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.		Long-term repair cost	--
Date of trust beneficiary rights set	April 30, 2020		Annualized average	--
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust period end	October 30, 2030			
Location (address)	1-1, Yawatakaigandori, Ichihara-shi, Chiba, Japan			
Land area	637,802.64 m ²	Building structure / stories	--	
Zoning	Industrial exclusive area			
Floor area ratio/building-to-land ratio	200%／60%			
Type of Possession	Ownership			
Earthquake PML	--	Completion	--	
Collateral	None	Gross floor area	--	
		Type of building	--	
Special notes	<ul style="list-style-type: none">• Prior to the acquisition of the property, IIF requested EAI Co., Ltd. for a soil contamination review regarding the soil contamination risk assessment by Field Partners Co., Ltd., which was acquired by the seller, a Japanese operating company. As a result, several areas have been confirmed to have contaminated soil exceed the elution standard of lead in the property. However, oral intake of contaminated soil from bare land is unlikely as the land surface is covered by asphalt, etc. almost entirely. In addition, soil contamination that is exceeding the elution standard of lead has been observed at two inspection points on this property, but ground water inspection at these points showed no sign of lead, and therefore it is unlikely that contamination from these points has spread in the areas around based on limited survey. If the land lease contract is not extended or renewed upon expiration, or if the agreement is terminated due to cancellation, the lessee shall move out of and return the entire land to the lessor after making the land vacant by collecting and removing the buildings, etc. on the land at lessee's expense. "Making the land vacant" includes making the land free from any toxic substance (however, toxic substances that are apparent to have not been caused by the lessee's usage for revenues shall be exempt) that violates laws and regulations, municipal ordinances or environmental standards regarding soil contamination, etc.• For part of the property, easement is set out for the power generation company ^(Note2) for the purpose of entry into the property etc. for plumbing and power transmission line etc.• For part of the property, it is rented out to TEPCO Power Grid, Incorporated for land of steel tower etc. for power transmission line, and the trustee granted the company above the permission of entry etc. for the purpose of setting up power transmission line and its maintenance• The trustee agreed on joint usage of part of the property and the adjacent land with the owner of the adjacent land			

(Note 1) "Anticipated acquisition date" is the delivery date with regards to the property expected as of today.

(Note 2) Referred to as "power generation company" since IIF has not obtained the necessary permission from the easement holder to disclose.

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(2) Description of Leases Relating to Anticipated Acquisitions

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax) ^(Note)	Period of contract	Deposit ^(Note)
Mitsui E&S Holdings Co., Ltd. 1	1	333,476.88 m ² (52.3%)	-	10 years (from April 30, 2020 until April 29, 2030)	-
Mitsui E&S Holdings Co., Ltd. 2	1	304,325.76 m ² (47.7%)	-	23 years (from April 30, 2020 until April 29, 2043)	-
Total	2	637,802.64 m ²	-	-	-
Revision of rent or termination during the lease period					
<p>● Mitsui E&S Holdings 1</p> <p>Contract type: Land lease contract for business purpose</p> <p>Renewal and Revision:</p> <ul style="list-style-type: none"> The lessor and lessee will not revise rent in the period of contract, and even in cases where part or all of the property is unable to operate or generate revenues due to legally required inspection, other inspection, investigation, renovation work, etc. or part of the property is lost and unable to operate or generate revenues, the rent for this property will not be reduced The lessee may terminate the agreement by providing notice on any of the 4th to 8th anniversaries of the execution of the lease contract on termination thereof on the anniversary two years later The lessor and the lessee may terminate the agreement with mutual consent in the event that the lessee introduces a potential new lessee (limited to a candidate the lessor admits) and it is sure that the lessor will execute a new contract of leasehold with the form and contents that satisfy the lessor with such potential new lessee <p>Others:</p> <ul style="list-style-type: none"> During the lease period, if the trustee would like to transfer the property to a third party (except for cases where the property ownership is transferred to the beneficiary upon the termination of the trust agreement), the trustee is supposed to notify the lessee of the intention of transfer by writing. The lessee is entitled of preferential negotiation for acquisition of the property by notifying the trustee of the intention of acquisition by writing, in a certain period time. However, above does not apply to transfer of trust beneficiary right. The lessee is supposed to compensate for the losses etc., that the lessor incurs, related to the use of the property for income, based on the contract. If a need to carry soil of the land out of the land arises due to soil contamination on the land caused by toxic substances, the lessee is supposed to carry this out promptly at its own cost and responsibility, following instructions of the lessor, and if use or storage of toxic substances on the land or the buildings on the land etc. or soil contamination of the land caused by toxic substances causes damage, loss or cost etc. to the lessee or a third party, the lessee is supposed to compensate for all of such losses etc. If the agreement is not extended or renewed upon expiration, or if the agreement is terminated due to cancellation, the lessee shall move out of and return the entire land to the lessor after making the land vacant by collecting and removing the buildings, etc. on the land at lessee's expense. "Making the land vacant" includes making the land free from any toxic substance (however, toxic substances that are apparent to have not been caused by the lessee's usage for revenues may be exempt) that violates laws and regulations, municipal ordinances or environmental standards regarding soil contamination, etc. <p>● Mitsui E&S Holdings 2</p> <p>Contract type: Land lease contract for business purpose</p> <p>Renewal and Revision:</p> <ul style="list-style-type: none"> The lessor and lessee will not revise rent in the period of contract, and even in cases where part or all of the property is unable to operate or generate revenues due to legally required inspection, other inspection, investigation, renovation work, etc. or part of the property is lost and unable to operate or generate revenues, the rent for this property will not be reduced The lessee may terminate the agreement by providing notice on any of the 15th to 21st anniversaries of the execution of the lease contract on termination thereof on the anniversary two years later The lessor and the lessee may terminate the agreement with mutual consent in the event that the lessee introduces a potential new lessee (limited to a candidate the lessor admits) and it is sure that the lessor will execute a new contract of leasehold with the form and contents that satisfy the lessor with such potential new lessee <p>Others:</p> <ul style="list-style-type: none"> Same as above 					

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

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(3) Reasons for the Acquisition

■Key Points

- Acquisition of large-sized land with leasehold interest for plant with good traffic access and high versatility located in the Tokyo Metropolitan area, capturing CRE needs of the seller, which was in corporate restructuring
- Strong potential and versatility as this property is located in a restricted industrial zone named as Keiyo Industrial Area and can be converted into renewable energy or logistics facilities
- Located in Ichihara City, which has easy access to Keiyo Sea Berth in Tokyo Bay and expressways, and also suitable for sea transportation as it faces Tokyo Bay

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

- For the shipbuilding area (Section A), mid-term usability is backed by the non-cancellable period in the lease contract with the current tenant
- For the bridge, machinery and energy etc. area (Section B), a joint venture with the current tenant being one of the participants is building a renewable energy facility. Therefore, continuity and long-term usability is expected, backed by the 23-year land lease contract for business purpose (non-cancellable for a certain period of time)

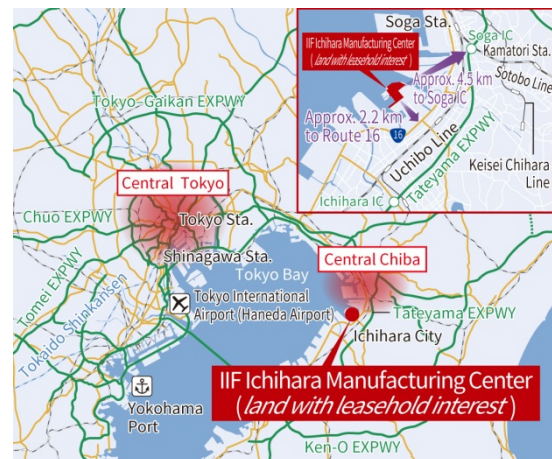
■Versatility (Versatility as a Real Estate Asset)

<Location>

- Highly-versatile location in Keiyo Industrial Area within approximately 4.5km and approximately 2.2km from Soga IC on Tateyama Expressway and the National Route 16, respectively, allowing 24-hour operation
- Strong potential as a favorable location for sea transportation as this property faces Tokyo Bay and is located in Ichihara City, which is accessible via Keiyo Sea Berth and draws strong interest as a possible site location mainly from chemical companies

<Facilities>

- Broad regular-shaped land with good access to expressways that can be used for logistics and other industrial purposes, not only for plants



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【IIF Shonan Logistics Center】

(1) Summary of Property

(1) Summary of Property				
Type of asset	Trust beneficiary right in real estate	Summary of building structure evaluation	Evaluator	ERI Solution Co., Ltd.
Anticipated acquisition date ^(Note)	August 12, 2020		Evaluation date	June 1, 2020
Anticipated acquisition price	7,380 million yen		Immediate repair cost	0 yen
Appraisal value	8,200 million yen		Short-term repair cost	0 yen
Appraiser	CBRE K.K.		Long-term repair cost	137,110,000 yen
Date of trust beneficiary rights set	December 20, 2019		Annualized Average repair cost	11,420,000 yen (annualized average of 12 years)
Trustee	Mitsubishi UFJ Trust and Banking Corporation			
Trust period end	August 31, 2030			
Location (address)	9-2, Ichinomiya 7-chome, Samukawa-machi, Koza-gun, Kanagawa, Japan			
Land area	17,944.85 m ²	Building structure / stories	Main building: 3-story steel frame alloy- plated steel sheet roof Annex 1: One-story steel-framed flat roof Annex 2: One-story steel-framed flat roof	
Zoning	Industrial exclusive area			
Floor area ratio/building-to-land ratio	200%／60%			
Type of Possession	Ownership			
Earthquake PML	6.8%	Completion	Main building: September 25, 2009 Annex 1: September 25, 2009 Annex 2: September 25, 2009	
Collateral	None	Gross floor area	Main building: 19,573.80 m ² Annex 1: 118.17 m ² Annex 2: 131.88m ²	
		Type of building	Main building: Warehouse, office Annex 1: Warehouse Annex 2: Warehouse	
Special notes	・ For part of the property, TEPCO Power Grid, Incorporated is granted permission to enter for the purpose of power transmission line’s maintenance, etc. ・ IIF requested that Field Partners Co., Ltd. conduct a soil and environmental survey prior to purchasing this property. According to such survey, we have confirmed that the possibility of soil pollution and being contaminated by adjacent land is low.			

(Note) "Anticipated acquisition date" is the delivery date with regards to the property expected as of today.

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(2) Description of Leases Relating to Anticipated Acquisitions

Tenant(s)	Number of tenant(s)	Total leased area (occupancy rate)	Annual rent (excluding consumption tax)	Period of contract	Deposit
SUZUKEN CO., LTD.	1	23,728.15 m ² (100.0%)	_(Note)	20 years (from January 1, 2010 until December 31, 2029)	_(Note)
Revision of rent or termination during the lease period					
Contract Type: Fixed-term building lease contract Contract Renewal and Revision: <ul style="list-style-type: none"> The lessor and the lessee may revise the rent upon consultation if the rent does not fit the circumstances due to drastic changes in the economic conditions It is set out on the lease contract, during the contract period, that the lessee may cancel the contract for its own reasons, conditional on its abandonment of the right to request refund for the remaining paid deposit and payment of penalty equivalent to the amount of rent between the next day of the date of cancellation of the contract and the maturity date It is set out on the lease contract, in the period of the contract, that the lessor may cancel the contract for its own reasons, conditional on repayment of paid deposit to the lessee and payment of penalty equivalent to such repaying amount of deposit within 30 days from the date of cancellation The lessor and the lessee may not cancel the lease contract in the period of the contract unless any of the above circumstances occurs Other: <ul style="list-style-type: none"> None 					

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

(3) Reasons for the Acquisition

■Key Points

- CRE proposal to Toda Corporation, a major construction company, for disposal of non-core assets
- High-functional logistics facilities equipped with automated warehousing, ordinary temperature / temperature-controlled warehousing and hazardous materials warehousing systems, used as a logistics hub of SUZUKEN, a major medical supplies wholesaler
- Favorable location for securing workforce, as it is located in proximity to Samukawa-Minami IC on Ken-O Expressway and within walking distance from Samukawa Station on the JR Sagami Line

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

- Long-term usability backed by the 20-year fixed-term building lease agreement (with the remaining period of 9.2 years)
- Important logistics hub for the tenant covering Kanagawa, and part of Tokyo and Yamanashi
- Highly-functional building with advanced specifications including multi-temperature control and management of multi-item stocks that are essential to a medical supplies distribution center

■Versatility (Versatility as a Real Estate Asset)

<Location>

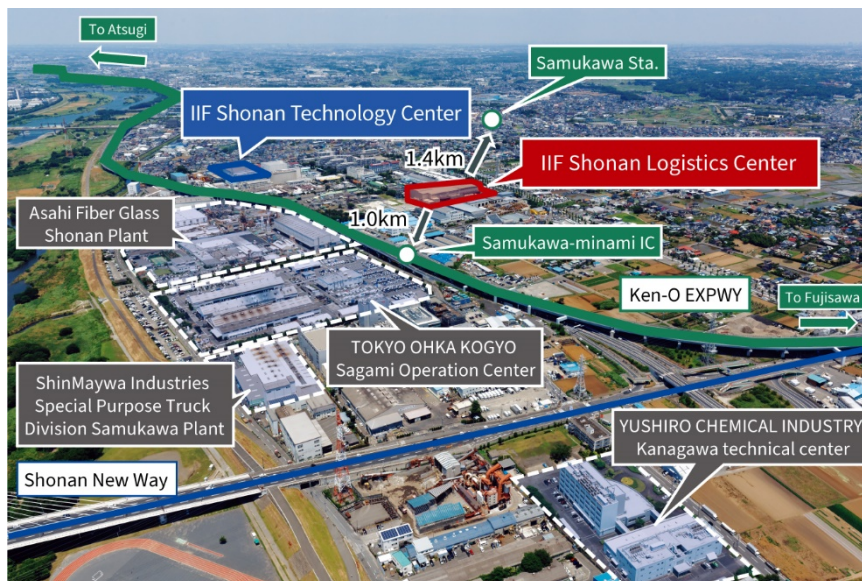
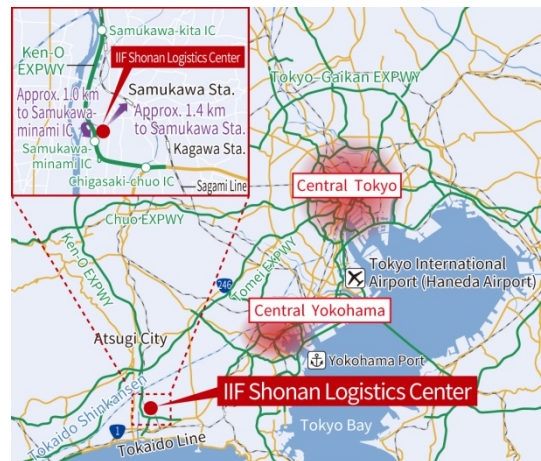
- Location within approximately 1.0km from Samukawa-Minami IC on Ken-O Expressway, through which access to broad areas is provided via Tomei Expressway, Chuo Expressway and other expressway networks

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- Favorable location for securing workforce as the property is located within approximately 1.4km from Samukawa Station on the JR Sagami Line and approximately 3-minute walk from the nearest bus stop, and Samukawa Station and Chigasaki Station are surrounded by residential areas

<Facilities>

- Highly-versatile and highly-functional high-floor building with floor weight capacity of 600-750kg/m² and floor-to-ceiling height of 2.7-4.3m, as well as equipped with automated warehousing, ordinary temperature / temperature-controlled warehousing and hazardous material warehousing systems



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<Reference> Designer/Structure designer/Constructor/Confirmation and Inspection Organization for Anticipated Acquisitions

Property number	Property name	Designer ^(Note)	Structure designer ^(Note)	Constructor ^(Note)	Confirmation and Inspection Organization ^(Note)
L-50	IIF Shonan Logistics Center	Toda Corporation Yokohama Branch First-class Architect Office	Toda Corporation Yokohama Branch First-class Architect Office	Toda Corporation Yokohama Branch	Japan ERI Co., Ltd.
F-22	IIF Shonan Health Innovation Park (57% co-ownership interest)	Takenaka Corporation Tokyo First-class Architect Office	Takenaka Corporation Tokyo First-class Architect Office	Takenaka Corporation Tokyo Main Office	The Building Center of Japan

(Note) Each name of the designer, structure designer, constructor, and confirmation and inspection organization above refers to the name at the time of obtainment of the certificate of inspection upon completion of the relevant property or trust property or when such property was a newly constructed or extended.

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4. Overview of the Preferential Negotiation Right

Preferential negotiation right on the remaining portion of IIF Shonan Health Innovation Park after acquisition of 57% co-ownership interest. The details are as follows:

Details of the right	<p>IIF has been given the preferential negotiation right related to the acquisition of the trust beneficiary right in the real estate for the property as of March 31, 2020. The preferential negotiation right relates to the acquisition of the trust beneficiary right for the property as an entire property. However, it is applicable to the remaining 40% co-ownership interest after the acquisition of 3% and 57% co-ownership interest as Anticipated Acquisition on September 30, 2020.</p> <p>If the following exercise period and conditions for pricing are fulfilled, IIF may negotiate in a preferential manner on the purchase of co-ownership owned by the other co-owner, a Japanese operating company. Provided, however, that if the other co-owner objectively judges as of the end of September 2021 that the possibility of the person designated by the Asset Manager or IIF to purchase the said co-ownership of interest by the end of March 2022 is low, and obtains approval from the Asset Manager in writing, the other co-owner may commence selling activities to third parties, and sell co-ownership interest to third parties before the said date.</p> <p>IIF has not decided to acquire remaining 40% co-ownership interest of trust beneficiary right and not scheduled to acquire remaining 40% co-ownership interest of trust beneficiary right as of today. IIF cannot assure that IIF will be able to acquire remaining 40% co-ownership interest of trust beneficiary right in the future.</p>
Exercise period of the preferential negotiation right	From March 31, 2020 to the last day of March 2022
Conditions for pricing	<p>15,400 million yen</p> <p>(Equivalent to the amount obtained by multiplying 38.5 billion yen of anticipated acquisition price for whole property by remaining co-ownership interest of 40%)</p>

5. Profile of Seller

1. IIF Shonan Health Innovation Park (*57% co-ownership interest*)

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

2. IIF Ichihara Manufacturing Center (*land with leasehold interest*)

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

3. IIF Shonan Logistics Center

Although the seller is a Japanese operating company, the seller's (the bridge seller's) profile cannot be disclosed as we have not obtained consent from the seller with respect to disclosure. There are no capital, personal or business relationships to note between IIF / the Asset Manager and the seller, and there are no

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capital, personal or business relationships to note between interested parties and affiliated companies of IIF / the Asset Manager and those of the seller. None of the seller, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

6. Profile of Buyer, etc.

With respect to the Anticipated Acquisitions, there are no acquisitions from sellers with whom IIF/the Asset Manager have special conflicting interests.

7. Broker

None

8. Matters relating to Forward Commitment Contracts

(1) Anticipated Acquisitions that fall under a Forward Commitment Contract

The sale and purchase agreements concerning IIF Shonan Health Innovation Park (*57% co-ownership interest*) and IIF Ichihara Manufacturing Center (*land with leasehold interest*) fall within the definition of forward commitment contract, etc. ^(Note) as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.

(Note) A forward commitment contract, etc. is defined as any sale and purchase agreement or other type of agreement that is signed a month or more in advance of the actual date of the settlement or delivery pursuant to the agreement. The same shall apply hereinafter.

(2) Effect on IIF's Financial Condition due to any Failure of IIF to comply with a Forward Commitment Contract, etc.

With regard to the sale and purchase agreement concerning IIF Shonan Health Innovation Park (*57% co-ownership interest*), if IIF causes damage to the seller due to a serious breach of the representations and warranties of IIF (excluding the matters the seller knew about the violation), IIF shall compensate to the seller. The compensation will include; (1) liability shall be exempted if the damage amount related to the individual claim from the seller is 50 million yen or less, (2) liability shall be exempted if the accumulated total amount of the individual claims exceeding 50 million yen is 500 million yen or less and (3) if the cumulative total of individual claims for damages exceeding 50 million yen exceeds 500 million yen, only the excess amount will be allowed up to 5% of the trading value. In addition to the above, if the other party suffers damages due to or related to the breach of its obligations under the sales contract, the other party's damages shall be compensated in accordance with the Civil Code and other laws and regulations and the provisions of this agreement. However, the purchase and sale agreement states that, IIF's duty to pay the purchase price is on the condition that IIF has completed the financing necessary for the payment of the purchase price.

With regard to the sale and purchase agreement concerning IIF Ichihara Manufacturing Center (*land with leasehold interest*), if there is a violation of the agreed terms of sales and purchase agreement, or a breach of representations and warranties by IIF, and if the sale and purchase agreement is cancelled as a result of such violations, IIF shall pay an amount equivalent to 20% of the total purchase price to the seller as a penalty. However, IIF will be obliged to pay the purchase price if only when IIF has completed fundraising (including but not limited to, borrowing or equity finance) necessary for the payment of the purchase price under the sale and purchase agreement concerning IIF Ichihara Manufacturing Center (*land with leasehold interest*).

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9. Means of Payment

The Anticipated Acquisitions will be financed by issuance of new investment units, new loans and through cash reserves. Please refer to “IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units” and “Notice Concerning New Debt Financing” announced today.

IIF plans to conduct a lump-sum settlement upon delivery for all Anticipated Acquisitions.

10. Date of Acquisitions

Property name	Execution date of acquisition agreement	Anticipated payment date	Anticipated acquisition date
IIF Shonan Health Innovation Park (57% co-ownership interest) ^(Note)	July 27, 2020	September 30, 2020	September 30, 2020
IIF Ichihara Manufacturing Center (land with leasehold interest)	July 27, 2020	October 5, 2020	October 5, 2020
IIF Shonan Logistics Center	July 27, 2020	August 12, 2020	August 12, 2020

(Note) IIF will acquire 60% co-ownership interest in total, along with IIF Shonan Health Innovation Park (57% co-ownership interest) as above, as IIF is scheduled to acquire 3% co-ownership interest of the property on September 30, 2020, as announced via the press release dated June 12, 2020, “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Shonan Health Innovation Park (3% co-ownership interest)】”. And said acquisition will be financed by the means stated in the “9. Means of Payment”.

11. Future Outlook of IIF

Please refer to the “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” announced today for the forecast of IIF’s operating performance for the 27th fiscal period ending in January 2021 (August 1, 2020 - January 31, 2021) and the 28th fiscal period ending in July 2021 (February 1, 2021 - July 31, 2021).

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12. Summary of Appraisal Report

(1) IIF Shonan Health Innovation Park (57% co-ownership interest)

(i) Appraisal value for the 57% co-ownership interest

Appraiser	Japan Real Estate Institute
Appraisal value	24,396 million yen
Appraisal value as of:	June 1, 2020

(Note) The appraisal value of the 57% co-ownership interest is derived from the amount equivalent to appraisal value of the entire property multiplied by the co-ownership ratio. The following is the amount equivalent to appraisal value of the entire property.

(ii) Appraisal value of the entire property

Appraiser	Japan Real Estate Institute
Appraisal value	42,800 million yen
Appraisal value as of:	June 1, 2020

Item	Value	Notes
Indicated value by income approach	42,800 million yen	
DC method	42,800 million yen	
Operating income	Not disclosed	(Note)
Effective gross income	Not disclosed	
Loss from vacancy	Not disclosed	
Operating expenses	Not disclosed	
Maintenance and management fee	Not disclosed	
Utility cost	Not disclosed	
Repair expenses	Not disclosed	
Property management fee	Not disclosed	
Leasing cost	Not disclosed	
Property tax	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
Net operating income	3,045 million yen	
Operating profit from lump-sum payments	43 million yen	
Capital expenditures	779 million yen	
Net income	2,309 million yen	
Capitalization rate	5.4%	
DCF method	42,700 million yen	
Discount rate	4.9%	
Terminal capitalization rate	5.3%	
Indicated Value based on cost approach	44,200 million yen	
Proportion of land	31.7%	
Proportion of building	68.3%	

Other matters that the appraisal firm considered upon conducting the appraisal	None
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(Note) Since this appraisal refers to numbers based on the actual values, the disclosure of this information may negatively affect IIF's competitiveness and work to the detriment of unitholders, and therefore, we have decided not to disclose the information.

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(2) IIF Ichihara Manufacturing Center (*land with leasehold interest*)

(i) Appraisal value of the entire property

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal value	18,230 million yen
Appraisal value as of:	June 1, 2020

(Note) The appraisal value for the entire property is calculated by adding up appraisal value of each section (Section A and Section B)

(ii) Appraisal value of the part of the property (section corresponding to lease contract 1)

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal value	6,130 million yen
Appraisal value as of	June 1, 2020

Item	Value	Notes
Indicated value by income approach	6,130 million yen	
DCF method	6,130 million yen	Adopted the appraisal by the DCF method due to the acquisition of only land with leasehold interest.
Discount rate	7.6% (1st year to 6th year) 7.7% (7th year to 9.9th year)	
Terminal capitalization rate	7.8%	The discount rate at the return of the vacant site, rather than the discount rate for the terminal value, is adopted as it is assumed based on the business land lease contract 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
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(iii) Appraisal value of the part of the property (section corresponding to lease contract 2)

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal value	12,100 million yen
Appraisal value as of	June 1, 2020

Item	Value	Notes
Indicated value by income approach	12,100 million yen	
DCF method	12,100 million yen	Adopted the appraisal by the DCF method due to the acquisition of only land with leasehold interest.
Discount rate	4.7% (1st year to 17th year) 4.8% (18th year to 22.9th year)	
Terminal capitalization rate	4.9%	The discount rate at the return of the vacant site, rather than the discount rate for the terminal value, is adopted as it is assumed based on the business land lease contract 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
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(3) IIF Shonan Logistics Center

Appraiser	CBRE K.K.
Appraisal value	8,200 million yen
Appraisal value as of:	June 1, 2020

Item	Value	Notes
Indicated value by income approach	8,200 million yen	
DC method	8,130 million yen	
Operating income	Not disclosed	(Note)
Effective gross income	Not disclosed	
Loss from vacancy	Not disclosed	
Operating expenses	Not disclosed	
Maintenance and management fee	Not disclosed	
Utility cost	Not disclosed	
Repair expenses	Not disclosed	
Property management fee	Not disclosed	
Leasing cost	Not disclosed	
Property tax	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
Net operating income	363 million yen	
Operating profit from lump-sum payments	1 million yen	
Capital expenditures	8 million yen	
Net income	357 million yen	
Capitalization rate	4.4%	
DCF method	8,200 million yen	
Discount rate	4.1%	
Terminal capitalization rate	4.5%	
Indicated Value based on cost approach	5,310 million yen	
Proportion of land	72.7%	
Proportion of building	27.3%	

Other matters that the appraisal firm considered upon conducting the appraisal	None
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(Note) Since this appraisal refers to numbers based on the actual values, the disclosure of this information may negatively affect IIF's competitiveness and work to the detriment of unitholders, and therefore, we have decided not to disclose the information.

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Reference: Definitions of Individual Calculation Formulas

Regarding “Appraisal NOI yield” and “Appraisal NOI yield (after depreciation)” referred to “1. Summary of Anticipated Acquisitions” (Note 8) on Page 2, please see below.

【Appraisal NOI yield】

Appraisal NOI Yield of the Anticipated Acquisition is calculated as follows.

Appraisal NOI Yield = Appraisal NOI* ÷ Anticipated acquisition price **

* Unless otherwise noted, for the calculation of Appraisal NOI, Appraisal Report in respect of the Anticipated Acquisitions uses the net operating revenue for the first fiscal year under the DCF method as described in the Appraisal Report as of June 1, 2020 (If any special circumstances exist in the first year, the net operating revenue for the second or later fiscal years when no such special circumstances exist is used). This is the same in “Appraisal NOI yield (after depreciation)” as shown below.

**Anticipated acquisition price means the sales price of each trust beneficiary interest as set forth in the purchase agreement (excluding acquisition related costs, fixed asset tax, urban planning tax and consumption tax). This assumption is the same for other calculations below.

【Appraisal NOI yield (after depreciation)】

Appraisal NOI yield (after depreciation) of the Anticipated Acquisitions is calculated as follow.

Appraisal NOI yield (after depreciation) = (Appraisal NOI - depreciation*) ÷ Anticipated acquisition price

* Depreciation in respect of the Anticipated Acquisitions is calculated based on the pro forma amount calculated at the depreciation ratio under the straight-line method according to the useful lives thereof as with other properties owned by IIF. Appraisal NOI yield (after depreciation) is based on the appraisal report dated June 1, 2020, and may differ from the actual values after IIF's acquisition.

Reference: Other press releases announced today:

“IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units”

“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”

“Notice Concerning New Debt Financing”

“Supplementary Material for Press Release Announced on July 27, 2020”

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.

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