

Notice Concerning Conclusion of New Lease Contract for IIF NAGOYA Logistics Center

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced that it has concluded a new lease contract with Japan Airways Co., Ltd. (“Japan Airways”) for IIF NAGOYA Logistics Center (the “Property”) today as outlined below.

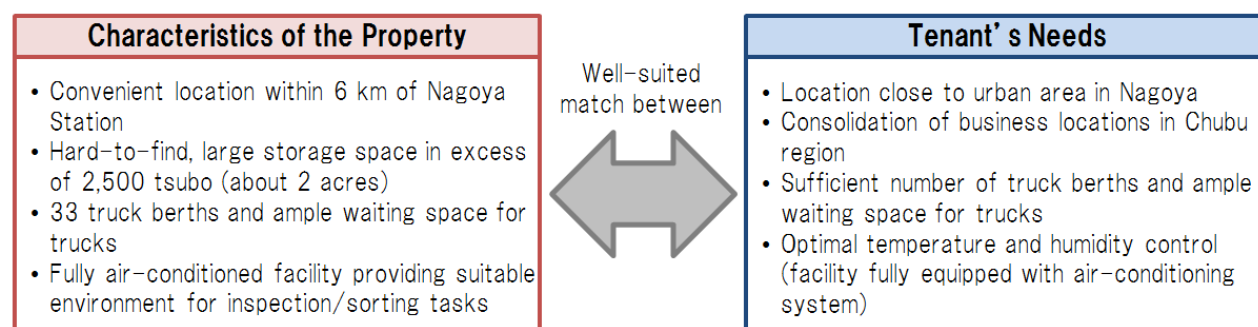
1. Outline

IIF today concluded a new 5-year fixed-term lease contract with Japan Airways for the Property. The commencement date of the lease is February 1, 2015.

Key Points

- **Securing of optimal rent level based on the best suited use that matches the characteristics of the Property**
- **Long-term stable income based on the 5-year fixed-term lease**

■ **Strategically enticed tenant with needs that match the characteristics of the facility**



2. General summary of the new lease contract

1)	Tenant Name	Japan Airways Co., Ltd.
2)	Contract Date	November 14, 2014
3)	Contract Start Date	February 1, 2015
4)	Lease Area	8,721.01 m ²
5)	Percentage in total leasable area of the Property	100.0%
6)	Percentage in total leasable area of IIF	1.1%
7)	Annual Rent (excluding consumption tax)	Not disclosed (Note)
8)	Term of Contract	Five years (February 1, 2015 – January 31, 2020)
9)	Type of Contract	Fixed term lease contract of building
10)	Deposit	In an amount equal to three months of rent
11)	Revision of Rent	Not allowed during the contract period (the contract stipulates that it is exempted from Article 32 of the Act on Land and Building Leases as provided under the contract)
12)	Early Termination	Not allowed

(Note) Tenant has not agreed to the disclosure of the information.

3. Background

IIF subsequently started the leasing activity of the Property after the decision on lease termination was made by the previous tenant, DHL Supply Chain Ltd. The leasing activity was conducted based on the Property's location (a convenient location that would reduce distribution lead time) and the characteristics of the facility (one with a floor area of over 2,000 *tsubo*, difficult to come by in the surrounding area, and with a spacious waiting area as well as full air conditioning, suitable for inspections and sorting) and at the same time, the possibilities for disposition and reconstruction were considered.

After carrying out discussions and negotiations, while having several alternative options, IIF successfully concluded the lease contract with Japan Airways, which has air cargo transportation business as its core business and conducts air cargo transportation and various transport services in Japan, at a rent level that fully utilizes the Property's potential and this will secure a long-term, stable income.

In selecting a new tenant, IIF gave full consideration to potential tenants' creditworthiness, competitiveness and position in the industry, merchandise line, etc., in accordance with its investment policy.

● Property Characteristics

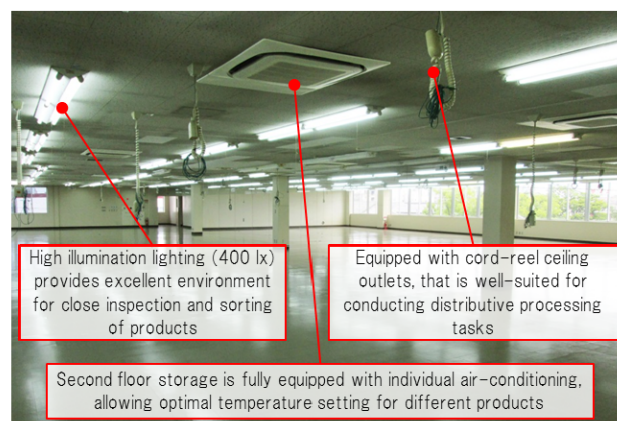
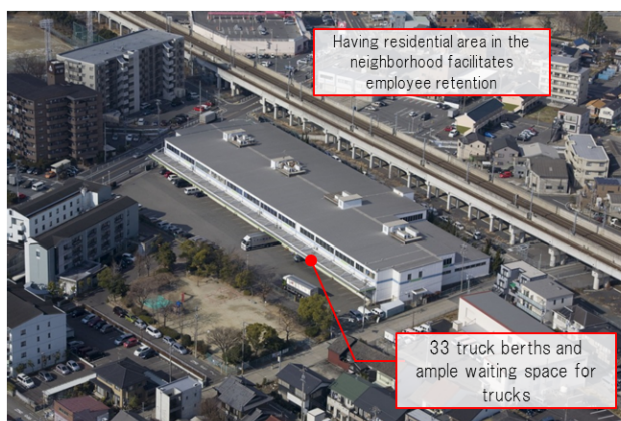
Location:

The Property is conveniently located within about 6 km of Nagoya Station and close to a highway exit, which will contribute to reducing transportation lead-time in logistics operations. The Property's nearest railway station, Hatta Station (a 15-minute walk from the Property), is served by three railway lines: JR Kansai Main Line, Kintetsu Nagoya Line, and Subway Higashiyama Line, thus providing good access from the railway network. There are numerous houses and apartments in the surrounding region, which gives a locational advantage in terms of employee retention.



Facility:

Thirty-three truck berths and ample waiting space at the facility enables a number of distribution vehicles to enter and leave at the same time. As the storage on the second floor is equipped with a full air-conditioning system and high illumination lighting (400 lx), the facility is well-suited for just-in-time delivery and distributive processing, which require close inspection and sorting of products.



4. Description of new tenant

(1) Description of new tenant

1) Name	Japan Airways Co., Ltd.
2) Location	1-22-9, Omori-kita, Ota-ku, Tokyo
3) Name and Job Title of Representatives	Mamoru Kimura, CEO
4) Business	1) Second Class Consigned Freight Forwarding Business 2) Air Transport Agency Business 3) General Motor Truck Transportation Business 4) First Class Non Vessel Operation Common Carrier 5) Motor Truck Transportation Business 6) Industrial Waste Collector and Transporter Business 7) Travel Agency Business (Overseas and Domestic) 8) General Reserved Passenger Bus Business 9) Nonlife Insurance Agency Business 10) Specified Worker Dispatching Undertaking 11) Other businesses provided under articles of incorporation
5) Capital	100 million yen (as of end of March 2014)
6) Established Date	April 26, 1955
7) Relationship with IIF or Asset Manager	
Capital Relationship Personal Relationship Trade Relationship	IIF and the asset manager of IIF (the “Asset Manager”) do not have any capital, personal or trade relationship with Japan Airways. In addition, there is no noteworthy capital, personal or trade relationship between affiliated companies of IIF, the Asset Manager and those of Japan Airways.
Related Party	Japan Airways is not a related party of IIF or the Asset Manager, and there are no affiliates of Japan Airways that are related parties of IIF and the Asset Manager.

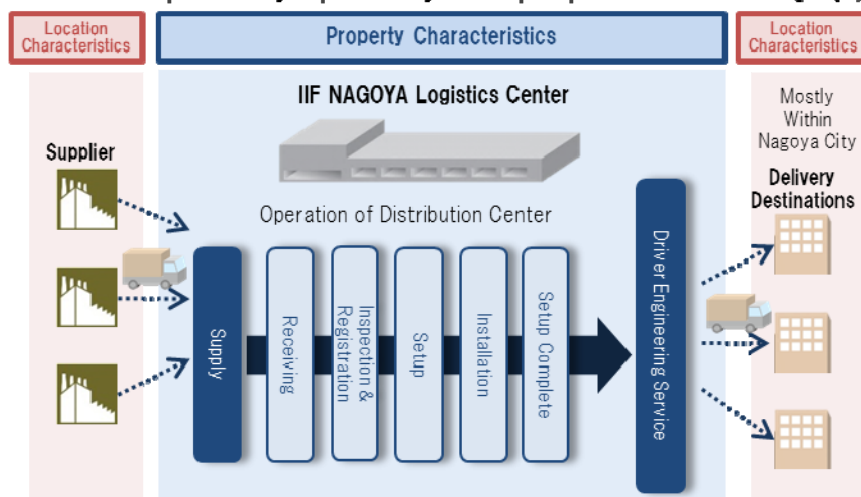
(2) New tenant’s positioning of the Property within their business

Japan Airways, having air cargo transportation as its core business, conducts various transport services through its nationwide network as a group company of Konoike Transport Co., Ltd., a logistics company listed on the first section of Tokyo Stock Exchange.

Following core business operation of Japan Airways will be carried out at the Property, utilizing the characteristics of the Property:

- (i) Air cargo transportation
- (ii) Emergency transportation of precision apparatus to designated delivery destinations, operated 24 hours a day, 365 days a year (high value-added service)
- (iii) Medical transportation utilizing biospecimen transportation box and quality control by dedicated staff members
- (iv) Perishable goods transportation (pickup, highway/air transportation of fruits, vegetables, garden plants, seafood and livestock products to markets and mass merchants across the country)

High value-added service provided by Japan Airways - Sample Operational Flow Chart [4-(2)-(i) above]



5. Future outlook for IIF

It is expected that this transaction will only cause a minor impact on the operating result for December 2014 (15th) fiscal period (July 1, 2014 to December 31, 2014) and the forecast of operating results will not be revised.

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 <http://www.iif-reit.com/english/index.html>

Contacts: For the further information relating to this press release as well as IIF and its Asset Manager, please feel free to contact Mr. Toshiaki Fukai (Telephone Number: 81-3-5293-7090), Head of Industrial Division at Mitsubishi Corp.-UBS Realty, Inc., the Asset Manager for Industrial & Infrastructure Fund Investment Corporation.

Investor Relations: Telephone Number: 81-3-5293-7091

For informational purposes only. The release in Japanese language should be referred to as the original.