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Industrial & Infrastructure Fund Investment Corporation

March 13, 2019

Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 3249)

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Supplementary Materials Concerning Press Release Dated March 13, 2019

“Notice Concerning Disposition of the Trust Beneficiary Right 【IIF Atsugi Logistics Center】 ”

“Notice Concerning Debt Financing (Refinancing), Prepayment, and Cancellation of Interest Rate Swap Agreement”

Securities Code

3249

IIF Atsugi Logistics Center :

Gain on sale and improved portfolio profitability upon disposition

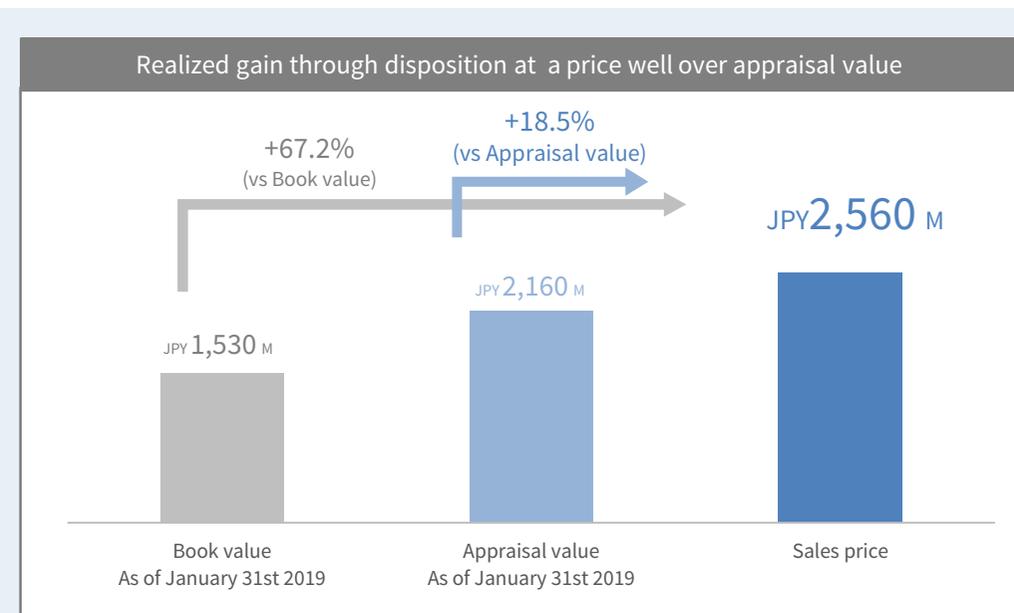
Profitability improved through disposition of asset with NOI yield after depreciation of 2.1%, which is much lower than portfolio average



Property Characteristics

- Located approximately 2 km from Atsugi IC, which enables the tenant to cover broad metropolitan area by Tomei expressway and Ken-O Expressway
- Truckberth at northeast side of facility newly developed in July 2012 enables 6 trucks to park
- Expansion of rest room and installation of air conditioners on every floor brings high usability to tenant

Acquisition price	JPY 2,100M
Location	Atsugi City, Kanagawa
Tenant	Fujilogitech Next, Inc.
Construction completion	January 31th, 2005
Land size / Total floor space	5,648.48m ² / 10,076.58m ²
Structure	4-story steel structure with galvanized steel sheet roof
NOI Yield (Note 1)	5.2% (Portfolio average : 5.8%)
NOI Yield after depreciation (Note 2)	2.1% (Portfolio average : 4.8%)



Achievement by disposition

- ① Improvement of portfolio profitability
- ② Distribution of realized gain to unitholders
- ③ Initiatives to improve profitability using gain on sale and disposition proceeds

Scheduled disposition date

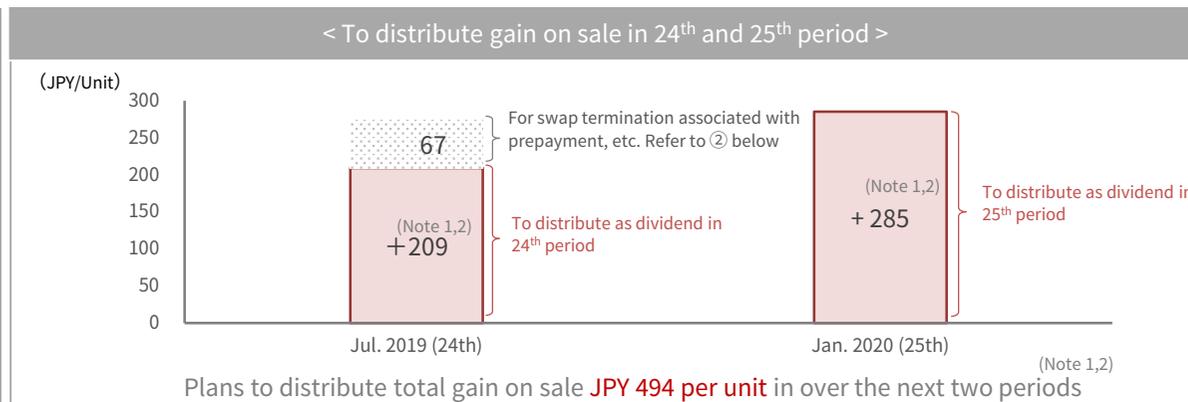
March 29th, 2019 (First 50% ownership)
August 1st, 2019 (Remaining 50% ownership)

Plan to further improve profitability using gain on sale and disposition proceeds

Three initiatives using gain on sale and disposition proceeds

Initiatives by gain on sale and disposition proceeds

① Distribution of realized gain to unitholders



② Prepayment and refinance aiming for interest cost reduction

< Prepayment and refinance using gain on sale > (Note 1,3)

	Loan amount	Average remaining period	Average applicable interest rate
Before refinance	JPY 7.85B	1.2year	1.33%
After Refinance	JPY 7.85B	8.6year (+7.4year)	0.45% (▲0.88%)

DPU increase: +JPY 20

③ New acquisition using disposition proceeds

< DPU increase by new acquisition using disposition proceeds >

Disposition proceeds	NOI Yield after depreciation of new acquisition	DPU increase (Note 1,4)
JPY 1.5B	5.0%	+JPY 22
	4.5%	+JPY 20
	4.0%	+JPY 18

(Note 1) The effect on dividends per unit is the estimate based on the total investment units of 1,698,816 as of Mar 13th, 2019.

(Note 2) "Gain on sales" is the estimation based on the disposition price, the book value of the property to be disposed at scheduled delivery date, the estimated cost to be expensed in relation to the disposition (brokerage fee, etc.) and costs related the cancellation of swap interest rate agreement. The figure is a reference value calculated by the Asset Manager, and the actual dividend may differ greatly from the reference value due to other factors.

(Note 3) "Average remaining period" and "Average applicable interest rate" after refinancing is the estimation based on the loan agreement executed on March 13, 2019. For the details, please refer to the news release "Notice Concerning Debt Financing (Refinancing), Prepayment, and Cancellation of Interest Rate Swap Agreement" dated March 13, 2019.

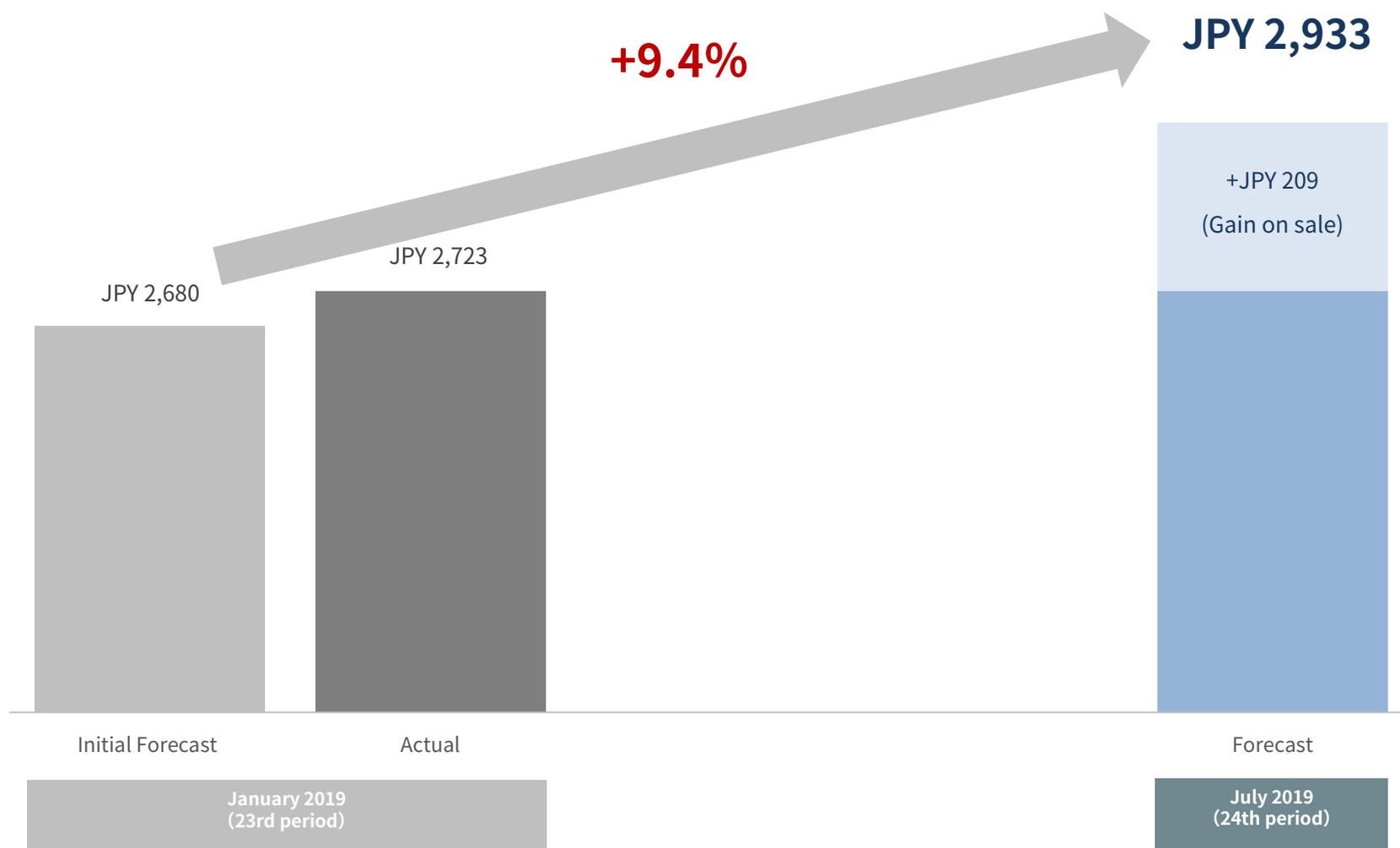
(Note 4) "DPU increase" is the estimation based on the estimated proceeds from the sale and assumed NOI yield after depreciation of new acquisition. There is no assurance for the realization of the figure shown. The actual dividend may defer due to the factors other than the estimated proceeds from the sale and assumed NOI yield after depreciation of new acquisition.

DPU in 24th period is expected to increase significantly due to distribution of gain on sale

DPU forecast in 24th fiscal period

To increase by 9.4% compared to initial forecast in 23rd period due to gain on sale and internal growth of existing portfolio

【DPU】



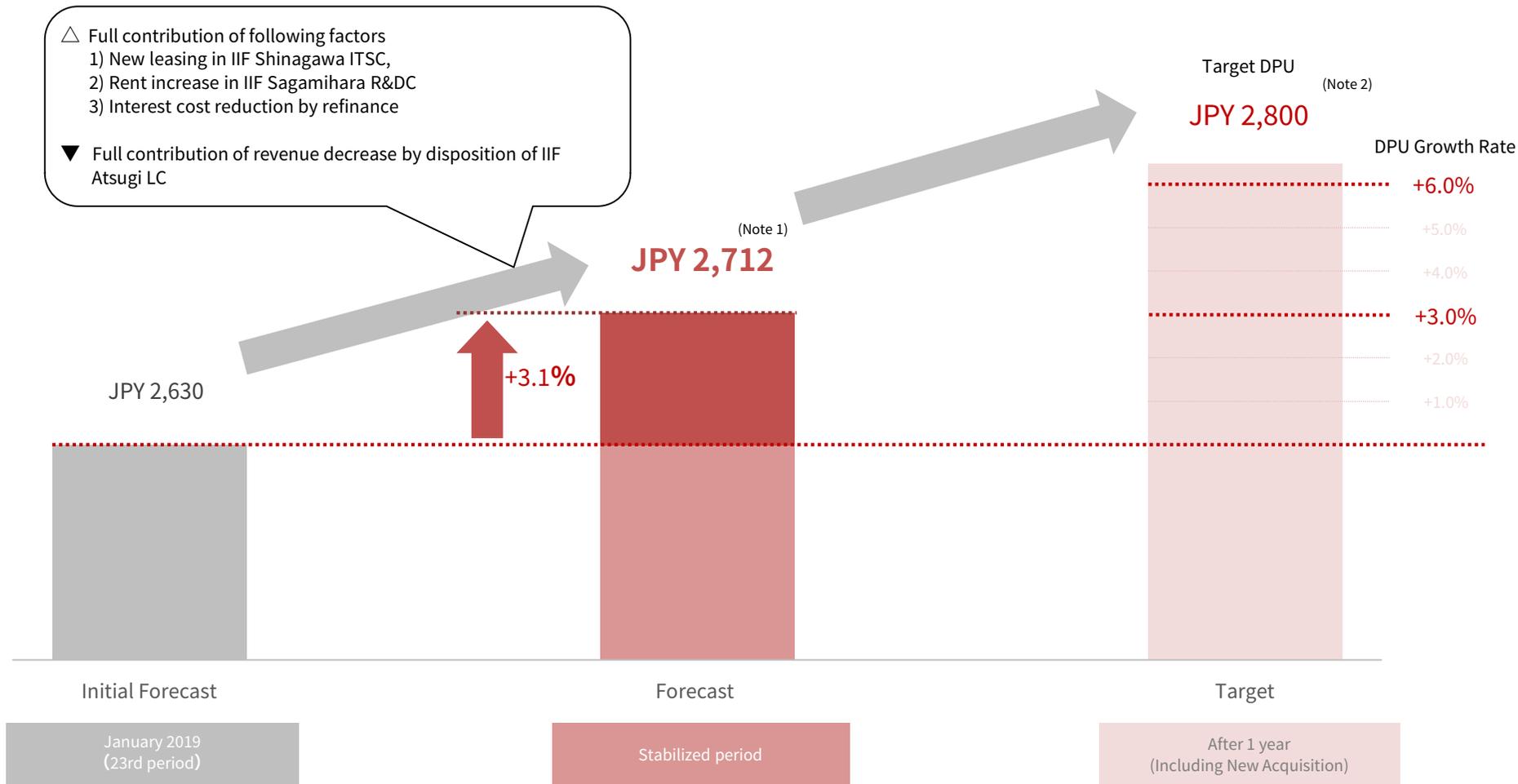
DPU (assuming expensing of related-taxes) is expected to increase by 3.1%

DPU forecast (assuming expensing of related-taxes)

Target DPU is JPY 2,800 including new acquisitions

【DPU forecast (excluding gain on sale)】

- △ Full contribution of following factors
 - 1) New leasing in IIF Shinagawa ITSC,
 - 2) Rent increase in IIF Sagamihara R&DC
 - 3) Interest cost reduction by refinance
- ▼ Full contribution of revenue decrease by disposition of IIF Atsugi LC



※For the details of the footnotes, see Page 5.

Notes

- P.1 (Note 1) $\text{NOI Yield} = \text{NOI} \div \text{Acquisition price of the property}$
(Note 2) $\text{NOI yield (after depreciation)} = (\text{NOI} - \text{depreciation}^{**}) \div \text{Acquisition price}$
**"NOI" is calculated by annualizing NOI of the actual result of the period ended January 2019 (23rd period) .
**"Depreciation" is calculated by annualizing depreciation of the actual result of the period ended January 2019(23rd period) .
- P.4 (Note 1) The figure is estimation considering the factors such as the leasing activities of IIF Shinagawa ITSC, the new leasing of IIF Sagamihara R&DC, the disposition of trust beneficiary right in IIF Atsugi LC, and the refinancing. There is no assurance that such figure may actually realized. The actual dividend may vary due to the effect of the factors mentioned above.
(Note 2) The figure is target value as of March 13, 2019 and there is no assurance that such figure may realized.

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- This document may contain information such as data on future performance, plans, management targets, and strategies. These forward-looking statements are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors.
- Unless otherwise noted, this document is prepared based on Japanese accounting principles.
- This document relates to the press release entitled “Notice Concerning Asset Acquisition (Equity Investment in a Silent Partnership)” dated January 9, 2019 and is not prepared for the purpose of soliciting acquisition of IIF investment securities or the signing of financial instruments contracts. When investing, investors are requested to invest under their own responsibility and based on their own judgment.
- IIF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets, the prices of which may fluctuate. Unitholders of the Investment Corporation may incur losses when unit prices decline in the market or when the amounts of distributions decline according to economic and interest rate circumstances, the balance of supply and demand for units, the real estate market environment, fluctuations in prices of and rent revenues from real estate properties under management, disaster, deterioration of the financial status of IIF, and other factors. For details, please see “Investment Risks” in the IIF Securities Report.

Asset Management Company: Mitsubishi Corp.-UBS Realty Inc.

(Financial Instruments Dealer, Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403;

Member of The Investment Trusts Association, Japan)