

Industrial & Infrastructure Fund Investment Corporation

July 30, 2025

To all concerned parties:

Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 3249)

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Asset Management Company

KJR Management

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Notice Concerning Disposition of One Property in Japan

IIF Higashi-Osaka Logistics Center

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announces today that KJR Management, IIF’s asset manager (the “Asset Manager”), decided to dispose (the “Anticipated Disposition”) domestic real estate trust beneficiary right (the “Property to be Disposed” or the “Property”) as outlined below.

Key Points

- ✓ Disposition at more than twice the book value
- ✓ Approx. 2.6 billion yen of gain on sales will be returned at more than 300 yen per unit over three fiscal periods starting in January 2026
- ✓ Part of the sales proceeds will be used to repurchase of own investment units, etc.

1. Summary of the Disposition

Property name	IIF Higashi-Osaka Logistics Center
Type of asset ^(Note 1)	Real estate trust beneficiary right
Location	7-46, Wakae higashi machi 6-chome, Higashi-Osaka-shi, Osaka
Anticipated disposition price ^(Note 2)	5,250 million yen
Book value ^(Note 3)	2,415 million yen
Difference between anticipated disposition price and book value ^(Note 4)	2,834 million yen
Appraisal value (survey price) ^(Note 5)	4,560 million yen
Broker	Applicable
Buyer	Special purpose company
Contract signing date	July 30, 2025
Delivery date (scheduled) ^(Note 6)	Co-ownership interests 30%: August 1, 2025 35%: June 1, 2026 35%: August 3, 2026

(Note 1) Agreement has been reached with the buyer that IIF Higashi-Osaka Logistics Center will be established trust with the Property as trust asset by the time of the disposition on August 1, 2025 and IIF will dispose of the trust beneficiary right of the trust.

(Note 2) The anticipated disposition price excludes expenses related to the disposition.

(Note 3) The book value is as of January 31, 2025.

(Note 4) The difference between anticipated disposition price and book value is shown for reference. The actual gain on sales may differ from the difference above.

(Note 5) The appraisal value (survey price) is as of January 31, 2025.

(Note 6) In connection with the disposition of the co-ownership interests of the real estate pertaining to IIF Higashi-Osaka Logistics Center, IIF will enter into an agreement with the buyer on August 1, 2025. IIF and the buyer will agree that, in principle, neither IIF nor the buyer may dispose its interests in real estate to a third party until IIF disposes all of its interests to the buyer, and that, in principle, with respect to instructions to the trustee, etc., certain important matters are determined with the unanimous consent of all co-owners.

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2. Reasons for the Disposition

Background to the Disposition

IIF is committed to maximizing unitholder's value through a growth strategy centered on three pillars: "internal growth" through improving the profitability of existing properties, "realization of latent gains" through property sales, and "external growth" through asset replacement and the use of SPCs such as bridge funds.

This property has been operated stably since its acquisition in April 2013. After negotiation about renewal of lease contract in April 2023 with a major tenant at the expiration of the fixed term building lease contract, we concluded a new long fixed term building lease contract for 15 years (non-cancellable and non-rent revision). As a result, we realized significant internal growth, including approx. 23% increase in NOI and approx. 25% increase in appraisal value.

On the other hand, the upside potential is limited for short-term in the current inflationary environment and CAPEX is expected to increase in future due to 33-year-old building, so we have determined to dispose the Property at a price exceeding the appraisal value at the current timing capturing the robust logistics real estate sales market, as IIF judged that this will contribute to enhancing unitholder's value.

Disposition at more than twice the book value

Against the backdrop of the current robust logistics real estate sales market, the disposition at a price significantly exceeding both the book value (approx. 2.4 billion yen) and the appraisal value (approx. 4.5 billion yen), amounting to approximately 5.2 billion yen (an increase of 117.4% compared to the book value and 15.1% compared to the appraised value) will improve total return.

Approx. 2.6 billion yen of gain on sales will be returned at more than 300 yen per unit over three fiscal periods starting in January 2026

IIF will dispose of the Property over three fiscal periods (the 37th fiscal year ending January 2026, the 38th fiscal year ending July 2026, and the 39th fiscal year ending January 2027). Through recording gain on sales on each fiscal period, IIF plans to contribute to raising the level of DPU continuously to 300 yen or more per unit.

Part of the sales proceeds will be used to repurchase own investment units, etc.

The sales proceeds excluding gain on sales (approx. 2.3 billion yen) will be used for the repurchase of own investment units and the repayment of borrowing, after carefully considering the level of the unit price, the effect on the unitholder's value and the impact on the LTV level. The remaining amount will be used as part of the funds for the acquisition of equity interest in a silent partnership announced on June 27, 2025.

(Reference) press releases:

"Notice Concerning Asset Acquisition (Equity Interest in a Silent Partnership)" as of June 27, 2025

"Notice Concerning Repurchase and Cancellation of Own Investment Units (Repurchase of own investment units under the provisions of Article 80-5 of the Act on Investment Trusts and Investment Corporations, and Cancellation of own investment units under the provisions of Article 80, Paragraph 2 and Paragraph 4 of the Act on Investment Trusts and Investment Corporations)" as of July 30, 2025

"Notice Concerning Revised Forecast & Distributions for the Jan. 2026 Fiscal Period" as of July 30, 2025

"Supplemental Material Concerning Today's Press Release" as of July 30, 2025

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3. Information about the Property to be Disposed

Property name		IIF Higashi-Osaka Logistics Center							
Type of asset		Real estate ^(Note 1)							
Trustee		⁻ ^(Note 1)							
Location		7-46, Wakae higashi machi 6-chome, Higashi-Osaka-shi, Osaka							
Acquisition date		April 12, 2013							
Acquisition price		2,280 million yen							
Book value		2,415 million yen (As of January 31, 2025)							
Land	Land area	10,228.36m ² ^(Note 2)							
	Zoning	Semi Industrial area							
	Floor area ratio / building-to-land ratio	200% / 60%							
	Type of possession	Ownership							
Building	Building structure / stories	5-story steel-framed with galvanized steel sheet flat roofing							
	Construction completion	November 25, 1991							
	Total floor area	20,247.86m ²							
	Type of possession	Ownership							
	Use	Warehouse, Office							
	Earthquake PML	9.0%							
Tenant summary	Number of tenants	2 ^(Note 3)							
	Total rental business revenue(annual)	⁻ ^(Note 4)							
	Security deposit	⁻ ^(Note 4)							
	Total leased area	20,528.42m ²							
	Total leasable area	20,528.42m ²							
	Occupancy rate (Based on leased area)	July 31, 2023		January 31, 2024		July 31, 2024			
		100.0%		100.0%		100.0%			
Collateral conditions		⁻							
Special notes		None							

(Note 1) The information is current as of today.

(Note 2) Part of the land of this property is located within a river conservation area.

(Note 3) In connection with the Disposition, a pass-through master lease agreement will be concluded with the current two lessees as sublessees on August 1, 2025.

(Note 4) Not disclosed because necessary permission is not obtained from the tenants to disclose the information.

4. Profile of the buyer

The buyer of the Property is a special purpose company, but the buyer's profile cannot be disclosed as IIF has not obtained consent from the buyer with respect to disclosure. There are no notable capital, personal or business relationships between IIF / the Asset Manager and the buyer, and there are no notable capital, personal or business relationships between interested parties and affiliated companies of IIF / the Asset Manager and those of the buyer. None of the buyer, its interested parties or its affiliated companies falls under the category of related parties of IIF / the Asset Manager.

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5. Profile of the broker

None of the broker, its interested parties or its affiliated companies, falls under the category of related parties of IIF / the Asset Manager.

6. Matters relating to forward commitment contracts

(1) The Property to be Disposed that falls within the definition of forward commitment contract, etc.

The purchase and sale agreement concerning "IIF Higashi-Osaka Logistics Center" falls 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 purchase and sale 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 purchase and sale agreement concerning "IIF Higashi-Osaka Logistics Center", in case of any breach of the purchase and sale agreement, etc. (including any breach of the representations and warranties) (except for minor breaches) caused intentionally or negligently by IIF or the buyer, IIF or the buyer may demand fulfillment or rectification within a reasonable and specified period of time by giving the breaching party written notice, which specifies the breach, and in the event that such breach is not fulfilled or rectified within the specified period, IIF or the buyer may terminate the purchase and sale agreement. In such case, the breaching party shall compensate the equivalent amount of 10% of the total disposition price as a breakup fee. The breaching party of the purchase and sale agreement shall compensate for damages, etc. that the other party suffers due to or in connection with the breach of the representations and warranties up to total amount equivalent to 20% of the total disposition price.

7. Means of payment

The settlement will be conducted in a lump sum on each scheduled date of delivery.

8. Scheduled date of the Disposition

Date of decision on disposition	July 30, 2025
Contract signing date	July 30, 2025
Payment date (scheduled)	Co-ownership 30%: August 1, 2025 35%: June 1, 2026 35%: August 3, 2026
Delivery date (scheduled)	

9. Outlook of IIF

This disposition has no material impact on the forecasts of operating status for the fiscal period ending July 2025 (36th fiscal period: February 1, 2025 to July 31, 2025) thus the forecasts of operating status for the above mentioned fiscal period remains unchanged. For the forecast of the operating results for the fiscal period ending January 2026 (the 37th fiscal period : August 1, 2025 to January 31, 2026), please refer to the "Notice Concerning Revised Forecast & Distributions for the Jan. 2026 Fiscal Period" announced today.

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10. Summary of Appraisal Report (Survey Report)

Appraiser	Japan Real Estate Institute
Survey price	4,560 million yen
Survey price as of:	January 31, 2025

Item	Value	Notes
Indicated value by income approach	4,560 million yen	
DC method	4,610 million yen	
Operating income	Not disclosed	
Potential 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	217 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	10 million yen	
Net income	207 million yen	
Capitalization rate	4.5%	
DCF method	4,510 million yen	
Discount rate	4.2%	
Terminal capitalization rate	4.7%	
Other matters that the appraisal firm considered upon conducting the appraisal	None	

(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.