

# Industrial & Infrastructure Fund Investment Corporation

September 17, 2025

To all concerned parties:

Investment Corporation

**Industrial & Infrastructure Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 3249)

Representative: Kumi Honda, Executive Director

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

Asset Management Company

KJR Management

Representative: Keita Araki,

President & Representative Director

Inquiries: Tadateru Kitaoka, Executive Director

Capital Markets Department

TEL: +81-3-5293-7091

## **Notice Concerning Disposition of One Property in Japan** **【IIF Kamata R&D 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**

- ✓ **Realized unrealized gains through the sale of property, anticipating potential cash flow decline due to tenant vacating risks.**
- ✓ **Achieved disposition price significantly above both the book value (+37.4%) and appraisal value (+24.7%).**
- ✓ **Plan to fully return approx. JPY 2.3 billion in gain on sale to unitholders in the fiscal period ending January 2026 (equivalent to approx. JPY 910 per unit).**

### 1. Summary of the Disposition

|   |  |
|---|--|
| Property name   | IIF Kamata R&D Center                          |
| Type of asset   | Real estate trust beneficiary right            |
| Location  | 16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo    |
| Anticipated disposition price <sup>(Note 1)</sup>                                   | 10,000 million yen                             |
| Book value <sup>(Note 2)</sup>  | 7,276 million yen                              |
| Difference between anticipated disposition price and book value <sup>(Note 3)</sup> | 2,723 million yen                              |
| Appraisal value <sup>(Note 4)</sup>   | 8,020 million yen                              |
| Broker  | Applicable                                     |
| Buyer   | Mitsubishi Corporation Urban Development, Inc. |
| Contract signing date   | September 17, 2025                             |
| Delivery date (scheduled)   | October 1, 2025                                |

(Note 1) The anticipated disposition price does not include expenses associated with the sale.

(Note 2) The book value is as of July 31, 2025.

(Note 3) The difference between the anticipated disposition price and the book value is for reference only; actual gains or losses on the sale may differ.

(Note 4) The appraisal value is as of July 31, 2025.

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## 2. Reasons for the Disposition

IIF aims to maximize unitholder value through a growth strategy centered on three pillars: “internal growth” through improved profitability of existing properties, “realization of unrealized gains” through asset dispositions, and “external growth” through asset replacement and utilization of bridge funds or SPC structures.

The Property has been stably operated since its acquisition in March 2012. In light of the expiration of the fixed-term building lease agreement in March 2026, the Asset Manager has held discussions with the tenant and carefully considered future operation plans.

Given that the Property is reaching 35 years of age, significant capital expenditures and increased operating costs are expected in the mid-to-long term. Furthermore, there are potential downsides including prolonged downtime during re-leasing and a possible decline in profitability post-retention. At the same time, the surrounding area is a well-developed residential zone with high livability and excellent transportation access, making the Property attractive to potential buyers considering alternative uses. As a result of these considerations, IIF has determined that selling the Property at a price significantly exceeding both the appraisal value and book value, and returning the gains to unitholders, would contribute to enhancing unitholder value. Therefore, the decision was made to proceed with the sale.

The gain on sale from this transaction is expected to be fully distributed as dividends in the 37th fiscal period (ending January 2026). In addition, the remaining proceeds, excluding the gain on sale, will be used to repay borrowings incurred for the acquisition of IIF Narashino Logistics Center I (Building), with the surplus to be allocated for future asset acquisitions or similar purposes.

## 3. Information about the Property to be Disposed

A summary of the Property to be Disposed is set out in Part 1, Fund Information, Item 1. Status of the Fund, 5 Status of investment management, (2) Investment assets, of IIF’s securities report for the 35th fiscal period submitted on April 24, 2025.

## 4. Profile of the buyer

|   |   |
|---|---|
| Name  | Mitsubishi Corporation Urban Development, Inc.  |
| Location  | 5-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo   |
| Name and job title of the representative                            | Kenji Morita, President & CEO   |
| Business  | Development of income-generating real estate  |
| Capital   | Not disclosed   |
| Date established  | September 2, 2002   |
| Net assets  | Not disclosed   |
| Total assets  | Not disclosed   |
| Major shareholder (shareholding ratio)                              | Mitsubishi Corporation (100%)   |
| Relationship with IIF / the Asset Manager                           |   |
| Capital relationship<br>Personal relationship<br>Trade relationship | There are no capital, personal or transactional ties to be stated between the buyer and IIF or the Asset Manager. However, Mitsubishi Corporation, the parent company of the relevant company, is an investor in iPark Institute Co., Ltd., which is an affiliated company of IIF. There are no capital, personal or transactional ties to be specified between the related parties/related companies of IIF or the Asset Manager and the related parties/related companies 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. |

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 or the Asset Manager.

6. Means of payment

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

7. Scheduled date of the Disposition

|  |                    |
|--|--------------------|
| Date of decision on disposition<br>Contract signing date | September 17, 2025 |
| Payment date (scheduled)<br>Delivery date (scheduled)    | October 1, 2025    |

8. Outlook of IIF

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) and for the fiscal period ending July 2026 (the 38th fiscal period : February 1, 2026 to July 31, 2026), please refer to the “SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JULY 31, 2025” announced today.

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## 9. Summary of Appraisal Report

|                        |                             |
|------------------------|-----------------------------|
| Appraiser              | Japan Real Estate Institute |
| Appraisal value        | 8,020 million yen           |
| Appraisal value as of: | July 31, 2025               |

| Item                                    | Value             | Notes  |
|---|-------------------|--------|
| Indicated value by income approach      | 8,020 million yen |        |
| DC method                               | 8,140 million yen |        |
| Operating income                        | Not disclosed     | (Note) |
| 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                    | 471 million yen   |        |
| Operating profit from lump-sum payments | 3 million yen     |        |
| Capital expenditures                    | 19 million yen    |        |
| Net income                              | 455 million yen   |        |
| Capitalization rate                     | 5.6%              |        |
| DCF method                              | 7,900 million yen |        |
| Discount rate                           | 4.8%              |        |
| Terminal capitalization rate            | 5.3%              |        |
| Indicated value                         | 7,150 million yen |        |
| Proportion of land                      | 85.3%             |        |
| Proportion of building                  | 14.7%             |        |

|  |      |
|--|------|
| 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.