

Industrial & Infrastructure Fund Investment Corporation

October 23, 2026

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: Masa Moritsu, Executive Officer &
Head of Industrial Division
TEL: +81-3-5293-7091

Notice Concerning Acquisition of Domestic Asset (Equity Interests in a Silent Partnership) 【Indirect Investment in Hyperscale Data Center】

Industrial & Infrastructure Fund Investment Corporation ("IIF") announces that KJR Management, IIF's asset manager (the "Asset Manager"), decided today to invest in a silent partnership (the "Tokumei Kumiai") (the investment to be referred to as the "Acquisition") as outlined below.

Key Points

- ✓ Acquisition of Tokumei Kumiai equity interests in a hyperscale data center, a first for IIF
- ✓ Early entry into the data center market, where significant demand growth is expected, and expansion of future investment opportunities in a growth asset category

1. Summary of the Asset to Be Acquired

1) Asset to be acquired	Equity interest in Tokumei Kumiai whose underlying asset is real estate trust beneficiary right (the "Real Estate Trust Beneficiary Right") set in a domestic property
2) Asset name	Tokumei Kumiai interest in Taurus One Godo Kaisha (the "Tokumei Kumiai Equity Interest")
3) Underlying asset	Real estate trust beneficiary right set in Tama Data Center I
4) Investment amount	2,000 million yen (8.0% of the total equity interest in the Tokumei Kumiai)
5) Contract execution date	October 23, 2026
6) Acquisition date	November 27, 2026 (scheduled)
7) Acquisition funds	Cash on hand (scheduled)
8) Brokerage	None

2. Reasons for the Acquisition

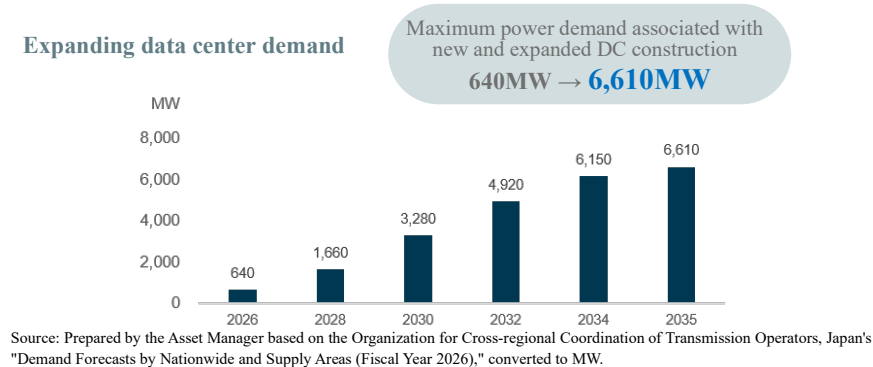
IIF aims to maximize unitholder value through a growth strategy focused on improving distributions per unit and enhancing resilience to inflation.

Under this strategy, the Asset Manager has identified data centers as a growth sector, with medium-to-long-term demand growth expected due to the proliferation of generative AI and cloud services, and has decided to acquire Tokumei Kumiai equity interests in a hyperscale data center, a first for IIF.

The highlights of this acquisition are as follows:

Growth potential of the data center market driven by increasing demand and development constraints

- Domestic demand for data center power is expected to expand significantly, driven by an increase in data processing volume due to the proliferation of generative AI and cloud services, as well as demand for large-scale IT infrastructure from hyperscalers.
- In the Tokyo metropolitan area, new supply is subject to certain constraints due to power supply issues, availability of suitable development sites, and rising construction costs.
- Against the backdrop of such demand expansion and supply constraints, high-quality data centers that have already secured power and telecommunications infrastructure possess scarcity value over the medium to long term.



Facility specifications capable of supporting high business continuity and robust data center demand

- The Property is a full-fit data center ^(Note 1) with a total IT capacity of 10MW. It possesses highly versatile facility specifications as a data center for hyperscalers, while also adopting equipment that ensures reliability equivalent to Tier III ^(Note 2) and a seismic isolation structure.
- In addition to cooling equipment, uninterruptible power supply (UPS) systems, and emergency power generators, high availability is achieved by securing multiple communication line routes.
- The facility has specifications capable of supporting future expansion in AI demand and higher server density.

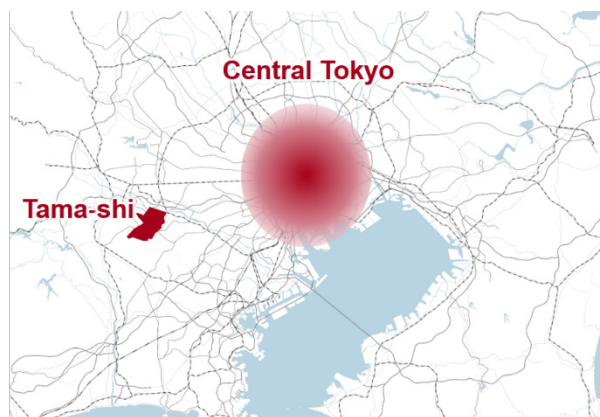
(Note 1) A "full-fit data center" refers to a data center where, in addition to the building, major equipment necessary for data center operations—such as power receiving and transforming equipment, UPS (uninterruptible power supply), emergency power generation equipment, and cooling equipment—is pre-installed.

(Note 2) "Tier III" is a global functional classification for data centers established by the Uptime Institute, a private organization in the United States. There are four types, ranked by performance from highest to lowest: Tier IV, Tier III, Tier II, and Tier I. Tier III corresponds to the classification of "having multiple power and cooling paths, allowing for equipment replacement and maintenance while the system remains in operation."

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Excellent location competitiveness in one of the Tokyo metropolitan area's leading data center clusters

- The Tama area of Tokyo, where the Property is located, is one of the leading data center locations in the Tokyo metropolitan area, alongside the Inzai area of Chiba, where data centers used by hyperscalers, major telecommunications carriers, and financial institutions are concentrated.
- Against the backdrop of the robust ground of the Tama Hills and high elevation, disaster risks such as flooding and earthquakes are relatively low. Located within approximately 30 km of central Tokyo, it is close to major cities, providing a location with an excellent communication environment that can suppress communication latency. Furthermore, it has a well-developed extra-high-voltage power receiving network and an established power supply system.



Future upside potential and securing continuous investment opportunities

- Given the market expansion, the Property's competitiveness, and its scarcity as an operational data center, future improvements in asset value and upside in earnings are expected.
- Meanwhile, considering the overall size of the property and the need for flexibility in executing the acquisition, IIF has adopted an indirect investment scheme through a private fund. Through the acquisition of a Tokumei Kumiai Equity Interest, IIF expects a distribution yield of 3.8%, an IRR of 11.1% over the approximately five-year investment period, and an NOI yield of 4.9% during the investment period, aiming to maximize unitholder value.
- In addition, as demand is expected to expand over the medium to long term while supply remains limited, IIF intends to expand its investment opportunities in the data center sector, where steady CF growth is expected. After the end of the approximately 5-year operation period, IIF can select flexible acquisition methods by securing a preferential negotiation right regarding the future purchase of this trust beneficiary right by IIF or a third party designated by the Asset Manager. Going forward, IIF will work as one with the KJRM Group to further expand investment opportunities.

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3. Summary of the Asset to Be Acquired

1) Outline of the Tokumei Kumiai and Overall Structure

【Tokumei Kumiai Equity Interest】

Operator name	Taurus One Godo Kaisha (hereinafter the "Operator")
Effective term of Tokumei Kumiai contract	Until November 30, 2031
Total amount of equity investment in the Tokumei Kumiai	25,000 million yen
Investment Amount	2,000 million yen

Outline of the scheme	The outline of the Tokumei Kumiai agreement is as follows.		
	Taurus One Godo Kaisha		
	Underlying asset Real estate trust beneficiary right ^(Note 1) 62,000 million yen (Reference) Real estate appraisal value 74,600 million yen ^(Note 1)	Non-recourse loan ^(Note 2) 40,500 million yen	
		Tokumei Kumiai investment 25,000 million yen	
	Reserves, Expenses, etc. 3,500 million yen	IIF 8.0%	Major domestic institutional investors 4 companies 92.0%
(Note1) The operator’s scheduled acquisition price of the trust beneficiary right is 62,000 million yen (scheduled acquisition date: November 30, 2026), and the appraisal value is 74,600 million yen (date of valuation: July 1, 2026). The same applies hereinafter. (Note2) The amount of “Non-recourse loan” excludes borrowings for consumption tax refunds (borrowings that are to be prepaid in an amount equivalent to the refunds upon receipt of refunds of consumption tax and local consumption tax). Although the loan agreement provides for a floating interest rate, an interest rate swap agreement is scheduled to be executed by the scheduled borrowing date to fix the interest rate from the scheduled borrowing date onward. (Note3) KJRM Private Solutions has been entrusted by the operator with asset management services and private placement handling services for the Tokumei Kumiai. Calculation period: The calculation periods shall be from March 1 to May 31, from June 1 to August 31, from September 1 to November 30, and from December 1 to the last day of February of the following year, each year. However, the initial calculation period shall be from the investment execution date until the last day of February 2027, and if this agreement is terminated, the termination date shall constitute the end of the final calculation period. Distribution of profit and loss: As of the end of each calculation period, the profits or losses corresponding to such calculation period shall be allocated to the investors in proportion to their respective capital contributions as of such date. Each investor shall be entitled to receive distributions of profits and shall bear losses in connection with the business accordingly.			
Summary of preferential negotiation right	(1) Summary of right The right of IIF or a party separately designated by the Asset Manager to preferentially enter into purchasing negotiations for the Real Estate Trust Beneficiary Right. However, neither IIF nor the party separately designated by the Asset Manager shall be obligated to purchase the Real Estate Trust Beneficiary Right. (2) Preferential negotiation period Until November 30, 2031 (scheduled).		

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2) Summary of the Underlying Asset in Tokumei Kumiai Equity Interest

Property Name		Tama Data Center I
Location ^(Note 1)		Tama-shi, Tokyo
Type of Asset		Real Estate Trust Beneficiary Right
Trustee		SMBC Trust Bank Ltd. (planned)
Trust Period		From November 30, 2026 to November 30, 2036 (scheduled)
Land	Type of Possession	Ownership
Building	Type of building	Data center
	Type of Possession	Ownership
	Earthquake PML	0.6%
Appraisal Value		74,600 million yen (as of July 1, 2026)
Appraisal Institution		Japan Real Estate Institute
Collateral		None
Tenant Overview ^(Note 2)	Number of Tenants	Not disclosed
	Total Rental Income	Not disclosed
	Security and Guarantee Deposit	Not disclosed
	Total Leased Area	Not disclosed
	Total Leasable Area	Not disclosed
	Occupancy Rate	Not disclosed
Other Notable Items		None

(Note1) Regarding the location of the underlying asset of the Tokumei Kumiai equity interest, only the municipality is disclosed, based on the fact that the subject of acquisition by IIF is the Tokumei Kumiai equity interest, and that consent for the disclosure of the detailed location has not been obtained from the relevant parties from the perspective of facility security and information management. Although IIF is scheduled to be granted a preferential negotiation right regarding the purchase of this trust beneficiary right, if IIF acquires this trust beneficiary right by exercising said preferential negotiation right, IIF plans to disclose the detailed location in accordance with applicable laws and regulations. Note that at this time, IIF has not decided to exercise said preferential negotiation right, and the acquisition of this trust beneficiary right by IIF is not guaranteed or promised.

(Note2) Not disclosed as consent has not been obtained from the tenant and other relevant parties.

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4. Profile of the Operator

Name	Taurus One Godo Kaisha
Location	401 Asuna Accounting Office, 3-7 Uchikanda 1-chome, Chiyoda-ku, Tokyo
Name and job title of representatives	Representative Partner: Taurus One General Incorporated Association
Business Description	① Business related to the acquisition, holding, and disposal of real estate trust beneficiary rights ② Business related to the acquisition, holding, disposal, leasing, and management of real estate ③ Business related to the acquisition, holding, disposal, leasing, and management of movable assets ④ All other businesses incidental or related to the preceding items
Capital	100 thousand yen
Date of establishment	July 17, 2026
Relationship with IIF or the Asset Manager	
Capital relationship Personnel relationship Business relationship	KJRM Private Solutions, a subsidiary of KJRM Holdings, which is the parent company of the Asset Manager, has been entrusted by the company with asset management services and private placement handling services. In addition, IIF plans to make a silent partnership investment of 8.0% of the total Tokumei Kumiai investment amount in the company. Except for the above, there are no capital, personnel, or business relationships to be noted between IIF or the Asset Manager and the company.
Related Party	The company does not fall under the category of a related party of IIF or the Asset Manager.

5. Transactions with Interested Parties

IIF plans to make an investment in the Tokumei Kumiai with the Operator. KJRM Private Solutions, a subsidiary of KJRM Holdings, the parent company of the Asset Manager, has been entrusted by the Operator with asset management services and private placement handling services. Accordingly, this Acquisition was subject to the necessary deliberations and approvals by the Asset Manager's Compliance Committee and Asset Management Investment Committee in accordance with the Asset Manager's Interested Party Transaction Rules.

6. Matters relating to forward commitment contract

(1) Applicability to Forward Commitment Contracts, etc.

The Tokumei Kumiai agreement concerning the acquisition of the equity interest in the Tokumei Kumiai (the "Tokumei Kumiai Agreement") falls within the definition of a 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.

Under the Tokumei Kumiai Agreement, if IIF delays the performance of its payment obligations under the Tokumei Kumiai Agreement, IIF is expected to pay late payment damages at the rate stipulated in the Tokumei Kumiai Agreement. In addition, if IIF fails to make the investment pursuant to the Tokumei Kumiai Agreement, the Operator may terminate the Tokumei Kumiai Agreement.

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7. Schedule of the Acquisition

Contract execution date	October 23, 2026
Investment in the Tokumei Kumiai	November 27, 2026 (scheduled)
Acquisition of the real estate trust beneficiary right by the operator	November 30, 2026 (scheduled)

8. Future Outlook

The impact of this transaction on IIF's forecast of operating results for the fiscal period ending January 2027 (39th fiscal period: August 1, 2026 to January 31, 2027) and the fiscal period ending July 2027 (40th fiscal period: February 1, 2027 to July 31, 2027) is minor, and there is no change to the forecast of operating results.

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9. Summary of Appraisal Report

Appraiser	Japan Real Estate Institute
Appraisal value	74,600 million yen
Date of value	July 1, 2026

Item	Content	Notes
Income approach value	74,600 million yen	
Value by direct capitalization method	75,200 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	
PM fee	Not disclosed	
Tenant recruitment expenses, etc.	Not disclosed	
Taxes and public dues	Not disclosed	
Insurance premium	Not disclosed	
Other expenses	Not disclosed	
Net operating income	3,031 million yen	
Operating profit from lump-sum payments	0 million yen	
Capital expenditures	400 million yen	
Net income	2,631 million yen	
Capitalization rate	3.5%	
Value by DCF method	73,900 million yen	
Discount rate	3.9%	
Terminal capitalization rate	4.3%	
Cost approach value	70,100 million yen	
Land ratio	67.3%	
Building ratio	32.7%	

Other matters considered by the appraisal firm in conducting the appraisal	None
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(Note) Since this appraisal refers to numbers based on the actual results, the disclosure of this information may negatively affect IIF's competitiveness and work to the detriment of unitholders, and therefore, the Asset Manager has decided not to disclose the information.