Industrial & Infrastructure Fund Investment Corporation

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To all concerned parties:

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Notice Concerning Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Right and Redemption of Silent Partnership Equity Interest【IIF Tosu Manufacturing Center】

Industrial & Infrastructure Fund Investment Corporation ("IIF") announces that KJR Management, IIF's asset manager (the "Asset Manager"), decided today to acquire (the "Acquisition") and lease a domestic real estate trust beneficiary right (the "Asset to Be Acquired" or the "Property") as outlined below. In connection with this, IIF also announces that the silent partnership equity interest in Tosu Sangyo Shisetsu Godo Kaisha, which has the Property as its underlying asset, will be redeemed.

Highlights of the Acquisition

- ✓ **Acquisition of a core factory located in an industrial cluster in the Tosu area of Saga Prefecture, leased to the tenant with the top market share for IP (network) cameras in Japan**
- ✓ **Renovation work tailored to tenant needs was carried out during the silent partnership investment period, and IIF will acquire the property after the renovation**
- ✓ **High profitability is expected, with an NOI yield of 5.5%, an NOI yield after depreciation of 4.7%, and an unrealized gain ratio of +23.1%.**

1. Summary of the Asset to Be Acquired

Property Name (Note 1)	Location	Seller (Note 2)	Anticipated acquisition price (Note 3) (JPY mn)	Appraisal value (Note 4) (JPY mn)	Unrealized gain (JPY mn) (unrealized gain ratio) (Note 5)	NOI yield (Note 6)	NOI yield after depreciation (Note 6)	Anticipated acquisition date (Note 7)
IIF Tosu Manufacturing Center	Tosu-shi, Saga	Panasonic Connect Co., Ltd.	3,485	4,290	805 (+23.1%)	5.5%	4.7%	December 1, 2026

(Note 1) "Property name" indicates the name that IIF plans to use for the property after acquiring the Asset to Be Acquired. The same shall apply hereinafter.
(Note 2) "Seller" refers to the party from which the bridge provider acquired the Property, rather than the bridge provider itself because a bridge arrangement is used for the Acquisition.
(Note 3) "Anticipated acquisition price" represents the purchase price of the real estate trust beneficiary right stated in the purchase and sale agreement (excluding acquisition costs, fixed asset taxes, city planning taxes and consumption taxes, etc.) with the bridge provider. The same shall apply hereinafter.

(Note 4) “Appraisal value” represents the appraisal value stated in the real estate appraisal report on the Property, with a valuation date of June 1, 2026. For details, please refer to "11. Summary of Appraisal Report" below.
(Note 5) “Unrealized gain” represents the difference between the appraisal value and the Anticipated acquisition price, while the “unrealized gain ratio” is the figure calculated by dividing the unrealized gain by the Anticipated acquisition price. Please note that the unrealized gain is not guaranteed to be realized.
(Note 6) For the calculation formulas for “NOI yield” and “NOI yield after depreciation,” please refer to “Reference: Definitions of Individual Calculation Formulas" below. The same shall apply hereinafter.
(Note 7) “Anticipated acquisition date” is the transfer date of the real estate trust beneficiary right as stated in the purchase and sale agreement with the bridge provider as of today. However, the Anticipated acquisition date may be subject to change following agreement between IIF and the seller.
(Note 8) There is a broker involved in the Acquisition, but the broker does not fall under the category of interested parties.

2. Reasons for the Acquisition and Leasing

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

Under this policy, the Asset Manager has decided to acquire a manufacturing base of i-PRO Co., Ltd. (hereinafter "i-PRO"), which holds the top market share for IP (network) cameras in Japan, through a proprietary CRE transaction. The Property is an underlying asset of the Tokumei Kumiai equity interest announced in the "Notice Concerning Asset Acquisition (Equity Interest in a silent partnership)" dated September 24, 2025. During the investment period, renovation work intended to improve convenience and functionality in response to tenant needs was carried out, and IIF will acquire the Property after such renovations.

The Property possesses tenant business continuity and the scarcity of its location in an industrial cluster in the Tosu area of Saga Prefecture, which offers high transportation convenience, and is expected to generate high profitability with an NOI yield of 5.5% and an NOI yield after depreciation of 4.7%. In addition, by incorporating CPI-linked rent (Note), future upside potential is secured.

Through this acquisition, IIF aims to secure stable earnings and future internal growth opportunities, and to improve distributions per unit.

(Note) "CPI-linked rent" means rent that is stipulated to automatically increase in line with the Consumer Price Index (CPI), subject to a floor equal to the rent for the building as set forth in the rent revision clause of the relevant lease agreement. The same applies hereinafter.

■ Continuity (Probability of continued use by the current tenant)

- ✓ A factory leased to i-PRO, which holds the top market share for IP (network) cameras in Japan. An important base to which the company relocated as its core factory following the withdrawal of the previous owner. Renovation work was completed in connection with i-PRO’s move to the site and was designed to improve convenience and functionality as a manufacturing base, based on tenant needs.
- ✓ The IP camera market is a sector expected to see further expansion due to the continued development of image analysis systems utilizing AI and other technologies, and the acceleration of camera usage for labor-saving and unmanned operations.

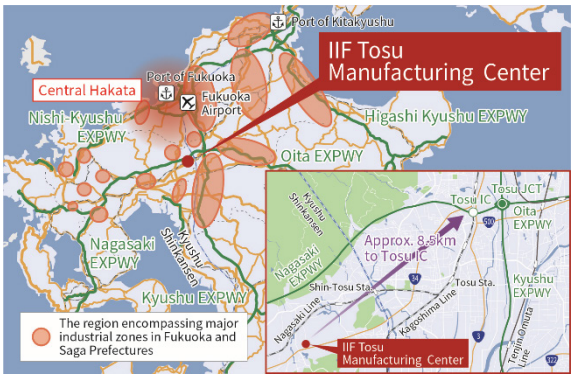
■ Versatility (Versatility as real estate)

- ✓ Located approximately 8.5 km from the Tosu Interchange on the Kyushu Expressway and near the Tosu Junction, a hub connecting the Kyushu Expressway and the Nagasaki/Oita Expressways, offering high transportation convenience to various cities in Kyushu.

✓ There are many industrial parks in the vicinity of the property, where factories of a wide variety of industries are located, including semiconductor and automotive-related manufacturers, as well as food, cosmetics, and chemical companies.







3. Summary of the Asset to Be Acquired and Lease

Property Name		IIF Tosu Manufacturing Center
Location		1484-1, Aza Gotansanbu, Murata-machi Gotansanbu, Tosu-shi, Saga, and others
Type of Asset		Real estate trust beneficiary right
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Period		From September 30, 2025 to December 31, 2036 (scheduled)
Land	Area	40,307.72m^2
	Zoning	Quasi-industrial district
	Type of Possession	Ownership
	Floor Area Ratio / Building Coverage Ratio	200% / 60%
Building	Total Floor Area	28,903.20m^2
	Structure and Floors	Bldg. 1: Steel-frame structure, alloy-galvanized steel plate roof, 2 stories Annex Bldg. 1: Concrete block structure, slate roof, single story Annex Bldg. 2: Steel-frame structure, slate roof, single story Annex Bldg. 3: Steel-frame structure, galvanized steel plate roof, single story Annex Bldg. 4: Lightweight steel-frame structure, alloy-galvanized steel plate roof, single story Bldg. 2: Steel-frame and reinforced concrete structure, galvanized steel plate roof, 4 stories

		Annex Bldg.: Concrete block structure, slate roof, single story Bldg. 3: Steel-frame structure, galvanized steel plate roof, 3 stories
	Type	Bldg. 1: Office / Factory Annex Bldg. 1: Machine room Annex Bldg. 2: Machine room Annex Bldg. 3: Warehouse Annex Bldg. 4: Guardhouse Bldg. 2: Factory Annex Bldg.: Warehouse Bldg. 3: Factory
	Completion Date	Bldg. 1: Newly built on January 31, 2012 Annex Bldg. 1: Newly built, 1992 (exact date unknown) Annex Bldg. 2: Newly built, 1992 (exact date unknown) Annex Bldg. 3: Newly built, 1993 (exact date unknown) Annex Bldg. 4: Newly built on March 15, 2012 Bldg. 2: Newly built on February 28, 1985 Annex Bldg.: Newly built on February 28, 1985 Bldg. 3: Newly built, 1972 (exact date unknown)
	Type of Possession	Ownership
	Architect	Bldg. 1: Kajima Corporation, Kyushu Branch, First-Class Architect Office Bldg. 2: SHIDA First-Class Architect Office Bldg. 3: Konoike Construction Co., Ltd., Fukuoka Branch, First-Class Architect Office
	Constructor	Bldg. 1: Kajima Corporation, Kyushu Branch Bldg. 2: SHIDAGUMI CO.,LTD Bldg. 3: Konoike Construction Co., Ltd., Fukuoka Branch
	Building Confirmation and Inspection Agency	Bldg. 1: Bureau Veritas Japan Co., Ltd. Bldg. 2,3: Saga Prefecture Building Official
	Earthquake PML	3.8%
Summary of Building Condition Assessment	Inspection Company	Sompo Risk Management Inc.
	Inspection Date	July 30, 2026
	Emergency Repairs Cost / Short-term Repairs Cost	0 thousand yen / 0 thousand yen
	Long-term Repair Costs	178,280 thousand yen
	Average	14,857 thousand yen (12-year average)
Anticipated Acquisition Price		3,485 million yen
Appraisal Value		4,290 million yen
Appraisal Institution		Japan Real Estate Institute
Collateral		None
Tenant Overview	Number of Tenants	1
	Tenant	i-PRO Co., Ltd.
	Total Rental Income	Not disclosed (Note 1)
	Security and Guarantee Deposit	Not disclosed (Note 1)
	Total Leased Area	28,848.29 m^2
	Total Leasable Area	28,848.29 m^2
	Occupancy Rate	100%
	Lease Term	From September 30, 2025 to September 30, 2040

	Lease Type	Fixed-term building lease agreement
	Rent Revision	The rent shall not be revised for 10 years from the commencement date of the lease. After that, the rent shall be automatically revised on each corresponding date every three years thereafter (the "Rent Revision Dates" in this section), starting from the tenth anniversary of the commencement date of the lease, to an amount calculated based on the rate of change in the core CPI (Note 2) published by the Statistics Bureau of Japan of the Ministry of Internal Affairs and Communications. The applicable rate of change shall be calculated as the cumulative product of (100% plus the annual average Core CPI rate of change for the three (3) years immediately preceding the relevant Rent Revision Date.) If the calculated rate of change falls below 100%, the rate shall be deemed to be 100%. Excluding that, the lessor and the lessee shall not revise the rent during the contract term, and the provisions of Article 32 of the Act on Land and Building Leases shall not apply.
	Cancellation during the Lease Period	The lessee shall not be entitled to terminate this agreement during the ten (10) years from the commencement of the lease term (the "Non-Cancellable Period"). The lessee may terminate this agreement effectively as of any termination date falling on or after the day immediately following the expiration of the Non-Cancellable Period, by providing the lessor with written notice of termination no later than two (2) years prior to the intended termination date. If the lessee provides such termination notice after the date that is two (2) years prior to the intended termination date, the lessee may still terminate this agreement as of such termination date, provided that the lessee pays the lessor an amount equivalent to the rent for the period falling short of the required two-year notice period. Such rent shall be calculated based on the average monthly rent during the twelve (12) months immediately preceding the termination date or cancellation date, as applicable.
	Other	None
Other Notable Items		・Part of the land is leased to Kyushu Electric Power Transmission and Distribution Co., Inc. for use as a site for structures supporting electricity cables. ・It was found from asbestos investigation performed by Konoike Building Technology Co., Ltd. that part of the interior finishes and exterior walls contained asbestos. In this regard, IIF is scheduled to recognize an asset retirement obligation for the expenses to remove the asbestos (approximately 103 million yen). ・According to Sompo Risk Management Inc., benzene was detected in a soil gas survey, and a soil survey confirmed that the soil did not meet the applicable standards for lead and fluoride based on leachate concentrations. However, no groundwater is used, and the ground surface of the affected areas is covered with concrete or asphalt pavement or with planting soil. These conditions are considered equivalent to exposure management and the interruption of exposure pathways as contemplated by the Soil Contamination Countermeasures Act, such as limiting the ingestion of groundwater contaminated by the soil and limiting human contact with contaminated soil. Under the current conditions of use, adverse health effects are considered unlikely.

(Note 1) Not disclosed as tenant consent has not been obtained.

(Note 2) "Core CPI" refers to the nationwide Consumer Price Index (excluding fresh food) published by the Statistics Bureau of Japan. With respect to the annual average Core CPI used in calculating rent, the upper limit shall be +2% and the lower limit shall be -1%.

4. Profile of the Seller

The profile of the seller (bridge provider) of the Property is as follows.

Name		Tosu Sangyo Shisetsu Godo Kaisha
Location		Inside Silsphere Accounting Office, 6-15 Hirakawacho 1-chome, Chiyoda-ku, Tokyo
Name and job title of representative		Representative Member: Tosu Sangyo Shisetsu General Incorporated Association (*Ippan Shadan Hojin*)
Business description		(1)Acquisition, possession, disposal, and management of real estate trust beneficiary rights (2)Acquisition, possession, disposal, leasing, and management of real estate (3)Any businesses incidental or related to the above-mentioned businesses
Capital		100,000 yen
Date established		February 25, 2025
Relationship with IIF or the Asset Manager		
	Capital relationship Personal relationship Business relationship	IIF has made an investment of 8.7% of the total investment amount in Tokumei Kumiai. Other than what is disclosed above, there are no capital, personal, and business relationships to be described between IIF/the Asset Manager and the company. Furthermore, there are no capital, personal, and business relationships to be described between the related parties/affiliated companies of IIF/the Asset Manager and the related parties/affiliated companies of the company.
	Related party	The company, its related parties, and affiliated companies are not related parties to IIF/the Asset Manager.

5. Status of Property Acquirers, etc.

The acquisition will not be made from parties with a special interest in IIF or the Asset Manager.

6. Profile of the Broker

The broker for the acquisition does not fall under the category of interested parties, etc. of IIF or the Asset Manager.

7. Acquisition Funds and Means of Payment

The acquisition funds are planned to be provided by cash on hand and the settlement is planned to be conducted in a lump sum at the time of delivery.

8. Schedule of the Acquisition

Contract execution date for acquisition	Anticipated payment date	Anticipated acquisition date
November 25, 2026	December 1, 2026	December 1, 2026

9. Overview of the redemption of the Tokumei Kumiai equity interest

After IIF acquires the Property from the seller, Tosu Sangyo Shisetsu Godo Kaisha, the Tokumei Kumiai equity interest in the same company held by IIF is scheduled to be redeemed in the fiscal period ending July 2027. For an overview of the Tokumei Kumiai equity interest, please refer to the "Notice Concerning Asset Acquisition (Equity Interest in a silent partnership)" dated September 24, 2025.

10. Future Outlook

The impact of this acquisition 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.

11. Summary of Appraisal Report

Appraiser	Japan Real Estate Institute
Appraisal value	4,290 million yen
Valuation date	June 1, 2026

Item	Content	Notes
Indicated value by income approach	4,290 million yen	
Direct Capitalization method	4,320 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	190 million yen	
Operating profit from lump-sum payments	1 million yen	
Capital expenditures	10 million yen	
Net income	181 million yen	
Capitalization rate	4.2%	
DCF method	4,260 million yen	
Discount rate	3.8%	
Terminal capitalization rate	4.2%	
Indicated value by cost approach	4,380 million yen	
Proportion of land	84.8%	
Proportion of building	15.2%	

Other matters that the appraisal firm considered upon conducting the appraisal	None

(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.

12. Forecast of Income and Expenditures for the Asset to Be Acquired

[IIF Tosu Manufacturing Center]

NOI yield	5.5%	NOI	190 million yen
NOI yield after depreciation	4.7%	Depreciation	26 million yen

Reference: Definitions of Individual Calculation Formulas

[NOI Yield]

The NOI yield for the Asset to Be Acquired is calculated using the following formula.

NOI Yield = NOI* / Anticipated Acquisition Price**

* For the calculation of NOI, the net operating income under the direct capitalization method stated in the appraisal report is used. The same applies hereinafter.

** The anticipated acquisition price refers to the purchase price stated in the purchase and sale agreement (excluding acquisition costs, property taxes, city planning taxes, consumption taxes, etc.). The same applies hereinafter.

[NOI Yield After Depreciation]

The NOI yield after depreciation for the Asset to Be Acquired is calculated using the following formula.

NOI Yield After Depreciation = (NOI - Depreciation*) / Anticipated Acquisition Price

* Depreciation is the estimated amount based on the useful life, in the same manner as for other assets held by IIF.

Note that the NOI yield and NOI yield after depreciation for the Asset to Be Acquired are calculated based on the appraisal report with a valuation date of June 1, 2026, and differ from the actual results after the Acquisition.

This English language release is for informational purposes only, and the Japanese language release should be referred to as the original.