

February 20, 2018

To all concerned parties:

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**IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units**

Industrial & Infrastructure Fund Investment Corporation ( “IIF” ) announced today that its board of directors, at a meeting held on February 20, 2018, passed a resolution to issue new investment units and to conduct a secondary offering of investment units, as outlined below.

1. Issuance of New Investment Units through Public Offering

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|-----|--|--|
| (1) | Number of investment units to be offered       | 109,800 investment units of IIF (“IIF Investment Units”) in total of the following (i) and (ii)<br>(i) 107,200 IIF Investment Units to be underwritten and purchased by the Domestic Underwriters and the Overseas Underwriters as described in (4) (i) and (ii) below, respectively.<br>(ii) A maximum of 2,600 IIF Investment Units to be additionally issued, which are subject to the right to purchase granted to the Overseas Underwriters in the Overseas Offering as described in (4) (ii) below.  |
| (2) | Amount to be paid in (Issue value)             | To be determined.<br>(The amount to be paid in shall be determined at the board of directors’ meeting to be held on a date between Wednesday, February 28, 2018 and Friday, March 2, 2018 (“Issue Price Determination Date”). The amount to be paid in (issue value) refers to the amount IIF shall receive from underwriters as the payment proceeds per IIF Investment Unit.)  |
| (3) | Total amount to be paid in (Total issue value) | To be determined.  |
| (4) | Offering method                                | (i) Domestic Public Offering<br>IIF Investment Units will be offered through a public offering in Japan (“Domestic Public Offering”), and all investment units for the Domestic Public Offering shall be underwritten and purchased by joint lead managers and joint bookrunners (collectively referred to as the “Joint Lead Managers” and, together with other domestic underwriters, the “Domestic Underwriters”).<br>(ii) Overseas Offering<br>IIF Investment Units will be offered in the overseas markets, consisting mainly of the U.S., European and Asian markets (provided that any offering in the United States will be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (referred to herein as the “Overseas Offering” and collectively with the Domestic Public Offering, the “Offerings”). |

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Overseas underwriters (collectively referred to as the “Overseas Underwriters” and, together with the Domestic Underwriters, the “Underwriters”) shall purchase severally and not jointly all of the investment units with respect to the Overseas Offering. In addition, the right to purchase IIF Investment Units to be issued additionally as described in (1) (ii) above shall be granted to the Overseas Underwriters.

(iii) Joint global coordinators

Certain Underwriters will act as joint global coordinators for the Offerings, and the over-allotment secondary offering mentioned in “2. Secondary Offering of Investment Units (Offering through the Over-Allotment)” below (the “Over-Allotment”).

(iv) The issue price for the Offerings shall be determined, using as a tentative price the figure obtained by multiplying the closing price of the IIF Investment Units for ordinary trading on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the preceding date) by a figure between 0.90 to 1.00 (any fraction of one yen shall be rounded down to the nearest yen).

(v) The total number of units to be offered is 109,800 units, consisting of 53,600 units through the Domestic Public Offering and 56,200 units through the Overseas Offering (53,600 units to be purchased by the Overseas Underwriters and 2,600 units to be purchased under the right to purchase additionally-issued IIF Investment Units granted to the Overseas Underwriters). However, the final decision on the number of units offered through the Domestic Public Offering and the Overseas Offering shall be made on the Issue Price Determination Date taking into consideration the level of demand.

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| (5)  | Compensation for Underwriters  | No underwriting commission will be paid, and the difference between the total issue price (total offer price) and the total amount to be paid in (total issue value) with respect to the Offerings shall represent the Underwriters’ compensation. |
| (6)  | Subscription unit  | One unit or more in multiples of one unit.   |
| (7)  | Subscription period for the Domestic Public Offering   | From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date.   |
| (8)  | Payment Date   | Any date between Wednesday, March 7, 2018 and Friday, March 9, 2018, provided that the date shall be five business days after the Issue Price Determination Date.  |
| (9)  | Delivery Date  | The following business day of the Payment Date.  |
| (10) | The issue price (offer price), the amount to be paid in (issue value) and other items required for the issuance of the new IIF Investment Units shall be determined at a board of directors’ meeting to be held in the future. |  |
| (11) | The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan, becoming effective.   |  |

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## 2. Secondary Offering of Investment Units (“Offering through the Over-Allotment”)

- (1) Seller and number of investment units to be offered A Domestic Underwriter: 2,600 units  
The number of IIF Investment Units to be offered as shown above indicates the maximum number of units to be offered through the Offering through the Over-Allotment. Depending on the level of demand and other factors of the Domestic Public Offering, the number of units may be reduced, or the Offering through the Over-Allotment itself may not be conducted. The number of IIF Investment Units to be offered shall be determined at a board of directors meeting to be held on the Issue Price Determination Date.
- (2) Selling price To be determined.  
(To be determined on the Issue Price Determination Date. The selling price shall be identical to the issue price (offer price) of the Domestic Public Offering.)
- (3) Total selling price To be determined.
- (4) Offering method Depending on the level of demand and other factors of the Domestic Public Offering, the Domestic Underwriter shall offer the IIF Investment Units by borrowing a maximum of 2,600 units from Mitsubishi Corporation, a unitholder of IIF Investment Units.
- (5) Subscription unit One unit or more in multiples of one unit.
- (6) Subscription period Identical to the subscription period for the Domestic Public Offering.
- (7) Delivery date The following business day of the Payment Date for the Domestic Public Offering.
- (8) Should the Domestic Public Offering be suspended, the Offering through the Over-Allotment shall also be suspended.
- (9) The selling price and other items required for the Offering through the Over-Allotment shall be determined at a board of directors meeting to be held in the future.
- (10) The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan, becoming effective.

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### 3. Issuance of New Investment Units through Third-Party Allotment (“Third-Party Allotment”)

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|------|--|---|
| (1)  | Number of investment units to be offered   | 2,600 units   |
| (2)  | Amount to be paid in (Issue value)   | To be determined.<br>(To be determined at the board of directors meeting to be held on the Issue Price Determination Date. The amount to be paid in (issue value) shall be identical to the amount to be paid in (issue value) for the Domestic Public Offering.) |
| (3)  | Total amount to be paid in (Total issue value)   | To be determined.   |
| (4)  | Allottee and number of investment units to be allotted   | A Domestic Underwriter: 2,600 units   |
| (5)  | Subscription unit  | One unit or more in multiples of one unit.  |
| (6)  | Subscription period (Subscription date)  | Tuesday, April 3, 2018  |
| (7)  | Payment date   | Wednesday, April 4, 2018  |
| (8)  | Investment units for which no application for subscription has been made during the subscription period (subscription date) described in (6) above shall not be issued.  |   |
| (9)  | Should the Domestic Public Offering be suspended, the Third-Party Allotment shall also be suspended.   |   |
| (10) | The amount to be paid in (issue value) and other items required for the issuance of the new investment units through Third-Party Allotment shall be determined at a board of directors meeting to be held in the future. |   |
| (11) | The aforementioned items shall be subject to the Securities Registration Statement, filed pursuant to the Financial Instruments and Exchange Act of Japan, becoming effective.   |   |

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<Reference>

## 1. Offering through the Over-Allotment and related matters

The Offering through the Over-Allotment is an offering of IIF Investment Units in which, depending on the level of demand and other factors of the Domestic Public Offering, the Domestic Underwriter may offer the IIF Investment Units by borrowing a maximum of 2,600 units from Mitsubishi Corporation, a unitholder of IIF Investment Units (the “Borrowed IIF Investment Units”). The aforementioned number of IIF Investment Units to be offered is the maximum number of IIF Investment Units to be offered and, depending on the level of demand and other factors, the number of units may be reduced, or the Offering through the Over-Allotment itself may not be conducted.

In relation to the Offering through the Over-Allotment, the Third-Party Allotment of the IIF Investment Units with the payment date on Wednesday, April 4, 2018 was determined by resolution at the board of directors’ meeting of IIF held on Tuesday, February 20, 2018, for the purpose of satisfying the obligation of the Domestic Underwriter to return the Borrowed IIF Investment Units.

Additionally, the Domestic Underwriter may also purchase the IIF Investment Units up to the number of units for the Offering through the Over-Allotment (hereinafter referred to as the “Syndicated Cover Transaction”) on the Tokyo Stock Exchange during the day following the close of the subscription period for the Domestic Public Offering and the Offering through Over-Allotment until Friday, March 30, 2018 (hereinafter referred to as the “Syndicated Cover Transaction Period”) to allocate for the return of the Borrowed IIF Investment Units. All of the IIF Investment Units purchased by the Domestic Underwriter through the Syndicated Cover Transaction will be used to return the Borrowed IIF Investment Units. During the Syndicated Cover Transaction Period, the Domestic Underwriter may not conduct the Syndicated Cover Transaction at all or may complete the Syndicated Cover Transaction with a number of IIF Investment Units that is smaller than the number of units offered through the Offering through the Over-Allotment.

Furthermore, the Domestic Underwriter may engage in stabilizing transactions related to the Domestic Public Offering and the Offering through the Over-Allotment, and the IIF Investment Units purchased through such stabilizing transactions may possibly be used, in whole or in part, to return the Borrowed IIF Investment Units. In addition, whole or a part of IIF Investment Units purchased through such stabilizing transactions may possibly be transferred to the Overseas Underwriters to settle for a part of the Overseas Offering.

As for the remaining number of units after reducing the number of IIF Investment Units purchased through the stabilizing transaction and the Syndicated Cover Transaction and used to return the Borrowed IIF Investment Units from the number of IIF Investment Units for the Offering through the Over-Allotment, the Domestic Underwriter intends to acquire the aforementioned number of IIF Investment Units by accepting the allotment of the Third-Party Allotment. Consequently, there may be cases where there will be no subscription for the IIF Investment Units offered in the Third-Party Allotment in whole or in part, and the final number of IIF Investment Units placed under the Third-Party Allotment may accordingly decrease to that extent due to forfeiture, or such allotment itself may not take place at all.

The Domestic Underwriter will conduct the transactions described above upon consultation with the other Domestic Underwriters.

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## 2. Total Number of Issued Investment Units after the New Issuance of IIF Investment Units

Current number of issued investment units outstanding:	1,588,656 units
Number of new investment units to be issued in the Offerings:	109,800 units <sup>(Note 1)</sup>
Total number of issued investment units after the Offerings:	1,698,456 units <sup>(Note 1)</sup>
Increase in the number of investment units from Third-Party Allotment:	2,600 units <sup>(Note 2)</sup>
Total number of issued investment units after Third-Party Allotment:	1,701,056 units <sup>(Note 2)</sup>

(Note 1) Representing the case where the right to purchase additionally-issued IIF Investment Units granted to the Overseas Underwriters as described in “1. Issuance of New Investment Units through Public Offering (1) (ii)” above is exercised in full and all of the new investment units are issued.

(Note 2) Representing the case where the Domestic Underwriter applies for all of the offered number of investment units under the Third-Party Allotment and all of the new investment units are issued.

(Note 3) The ratio of the number of new investment units issued through the Offerings and the Third-Party Allotment to the current number of issued and outstanding investments units (maximum total number of new investment units to be issued through the Offerings and the Third-Party Allotment divided by the current total number of issued and outstanding investment units) is 7.1%.

## 3. Objective and Rationale for the Issuance

The issuance of the new investment units was decided for the purpose of improving the profitability of the portfolio and financial stability through the acquisition of new properties, after having considered factors such as market trends and the level of distributions per unit.

## 4. Amount of Funds to be Financed, Specific Use of Proceeds and Scheduled Timing of Expenditure

### (1) Amount of funds to be financed (approximate net proceeds amount to be obtained)

13,132,478,800 yen (maximum)

(Note) The above amount represents the total sum of 6,262,463,200 yen proceeds from the Domestic Public Offering, 6,566,239,400 yen in maximum proceeds from the Overseas Offering and 303,776,200 yen in maximum proceeds from the issuance of new IIF Investment Units through the Third-Party Allotment. The above figures represent estimated amounts calculated based on the closing price for regular trading on the Tokyo Stock Exchange as of Monday, January 29, 2018.

### (2) Specific use of proceeds and scheduled timing of expenditure

The proceeds will be allocated to a part of the funds to acquire new specified properties (as defined in Article 2, Paragraph 1 of the Law concerning Investment Trusts and Investment Corporations) as indicated in the press release “IIF to Acquire and Lease Ten Properties in Japan” issued February 20, 2018.

## 5. Designated Allottee of Distribution

None.

## 6. Others (Restrictions on Sales and Additional Issuances)

- (1) Mitsubishi Corp.-UBS Realty Inc. has agreed with the joint global coordinators in regards to the Offerings not to engage in the sales and certain other transactions of the investment units owned prior to the Offerings without the prior written consent of the joint global coordinators during the period starting from the Issue Price Determination Date to a date 180 days from the delivery date of the Domestic Public Offering.
- (2) Mitsubishi Corporation has agreed with the joint global coordinators in regards to the Offerings not to engage in the sales and certain other transactions of the investment units owned prior to the Offerings without the prior written consent of the joint global coordinators during the period starting from the Issue Price Determination Date to a date 180 days from the delivery date of the Domestic Public Offering (excluding the lending of the investment units upon the Offering through the Over-Allotment).
- (3) IIF has agreed with the joint global coordinators in regards to the Offerings not to engage in the issuance of the investment units and certain other transactions without the prior written consent of the joint global coordinators during the period starting from the Issue Price Determination Date to the date 90 days from the

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## Industrial & Infrastructure Fund Investment Corporation

delivery date of the Domestic Public Offering (excluding the Offerings, the Third-Party Allotment and the issuance of investment units through split of investment units and certain other exceptions).

- (4) For (1) through (3) above, the joint global coordinators retain the right to terminate a part or all of the aforementioned agreement at their own discretion during the restriction period thereof or to shorten the restriction period thereof.

Reference: Other press releases announced today:

“IIF to Acquire and Lease Ten Properties in Japan”

“Notice Concerning New Debt Financing and Refinancing”

“Notice Concerning Forecasts of Operating Results and Distributions for the July 2018 (22nd) and January 2019 (23rd) Fiscal Periods”

“Notice Concerning Execution of Commitment-type Term Loan Contract”

About IIF: Industrial and Infrastructure Fund Investment Corporation ( “IIF” ) is the first J-REIT focused on acquiring and operating both industrial and infrastructure properties in Japan—properties that play a vital role in the Japanese economy, and for which IIF expects to see stable demand in the mid to long term. With respect to industrial properties, IIF intends to invest in a diverse portfolio of properties, including manufacturing and research and development facilities.

Please refer to our website at <http://www.iif-reit.com/english/>

Contacts: For the further information relating to this press release as well as IIF and its Asset Manager, please feel free to contact Mr. Hidehiko Ueda (Telephone Number: 81-3-5293-7090), Head of Industrial Division at Mitsubishi Corp.-UBS Realty, Inc., asset manager for Industrial & Infrastructure Fund Investment Corporation.

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