

Think bold today for a brighter tomorrow.



Investor Presentation for the Jan. 2021 (27th) Period

Securities Code : 3249

Industrial & Infrastructure Fund Investment Corporation

Table of contents

1	Executive Summary	P.2
2	Continuous Growth of the Unitholders' Value : DPU Forecast	P.7
3	Investment Strategy Going Forward - “CRE Beyond”	P.12
	(1) Redevelopment Projects	P.15
	(2) Change in Distribution Policy	P.22
4	Current Status of Operations and Initiatives Going Forward	
	(1) Management of Current Portfolio: “3C Management”	P.27
	(2) Financial Strategy: “ALM”	P.31
5	Approach to ESG	P.35
6	Operating Results for the January 2021 (27th) Fiscal Period and Earnings Forecast for the July 2021 (28th) Fiscal Period	P.38

Appendix

Portfolio Data and Other Materials

1. Executive Summary



Improved profitability by capturing diverse CRE needs due to bipolarization of corporate performance in COVID-19 pandemic

New Acquisitions

Continuous acquisition of high-profitability assets and initiatives for redevelopment

- AUM reaches JPY **370bn.** level through flexible offering

<Overview of PO launched in July 2020>

- New Acquisition **3**properties
JPY **46.3bn.**
- NOI yield **6.0%**
- NOI yield after depreciation **5.2%**
- CRE proposal **100.0%**
- Manufacturing and R&DC **84.1%**

- **Redevelopment of existing properties**

- IIF Atsugi LCⅢ : Redevelopment
- IIF Narashino LC I & LC II : Redevelopment
- IIF Atsugi MC : Extension

- **Disposition of property**

- IIF Hitachinaka Port LC
(land with leasehold interest)

Existing Portfolio

Further organic growth and initiatives for ESG

- Continuous initiatives for organic growth

<Properties with improved profitability>

【Logistics】

- IIF Fukuoka Hakozaki LC II
- IIF Koshigaya LC

【Infrastructure】

- IIF Haneda Airport MC

- **Further ESG initiatives**

【GRESB】

- Designated as the Highest Rank “**Five Stars**”

【New recognition and certifications】

- Four CASBEE for Real Estate Certifications
- Four BELS ratings

Financial Strategy

Further reinforcement to financial stability

- Raised new borrowings with low interest by leveraging high credit

<Overview of new borrowings related to PO>

- Raised JPY **23.8bn.** borrowings in total
- Average borrowing period : **8.3** years
- Average interest rate : **0.33%**

<Key Indicators>

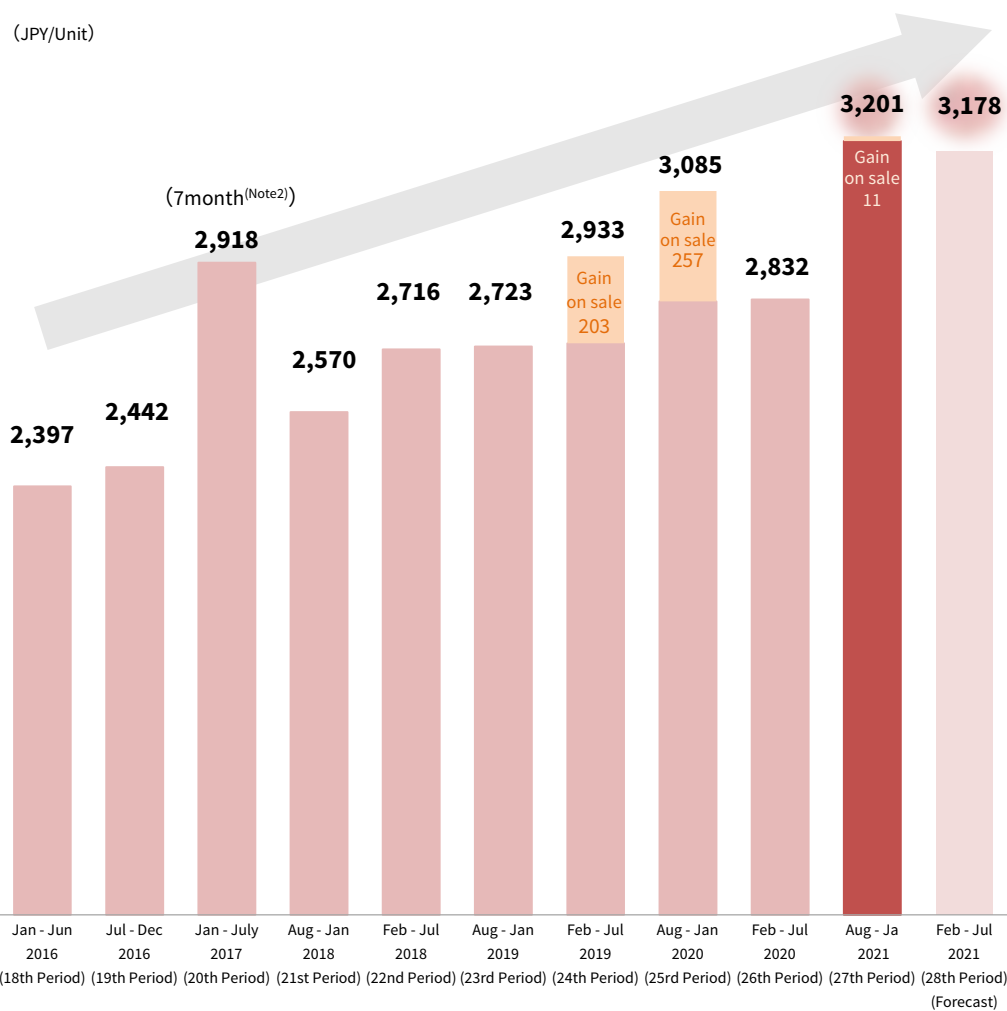
- | | As of
July 2020 | As of
Jan. 2021 |
|-------------------------|--------------------|--------------------|
| • LTV | : 49.8% | ⇒ 47.8% |
| • Average Interest Rate | : 0.79% | ⇒ 0.74% |

Steady growth in DPU and NAV

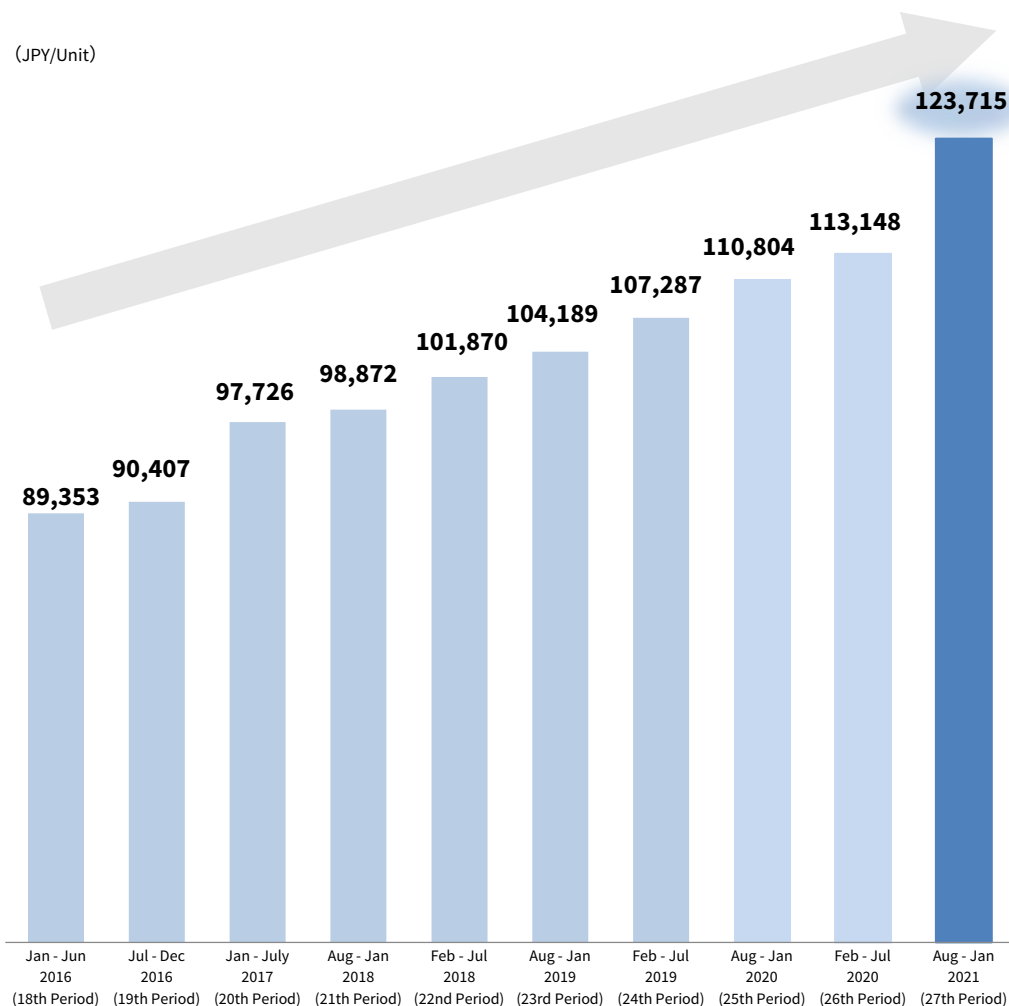
**DPU growth by approx. 1.3 times
over five-year period** (Note 1)

**Appraisal NAV per unit growth by approx. 1.4 times
over five-year period** (Note 1)

(JPY/Unit)



(JPY/Unit)



Steady AUM growth

AUM expansion and major acquired assets



Realized acquisition to contribute to continued enhancement of unit holders' value

Executed new acquisition through 10th PO and one disposition.

Key indices

	As of July 31, 2020	As of Jan. 2021
Number of Properties	75 properties	77 properties
Total Acquisition Price	JPY 323,566mn	JPY 368,811mn
Average NOI Yield (Note 1)	5.8%	5.9%
Average NOI Yield after Depreciation (Note 1)	4.8%	4.9%
Difference between Appraisal Value and Book Value	+JPY 62,485mn	+JPY 72,227mn
Total Number of Tenants	100 tenants	110 tenants
LTV (based on book value) (Note 2)	49.8%	47.8% (- 2.0%)
LTV (based on appraisal value) (Note 3)	42.1%	40.6% (- 1.5%)
Average Borrowing Period	9.3years	9.2years
Weighted Average Interest Rate (Note 4)	0.79%	0.74%
Stabilized DPU (after adjustment of property-related taxes and estimated temporary revenue loss) (Note 5)	JPY 2,919	JPY 3,040 (+4.1%)
Appraisal NAV per Unit (Note 6)	JPY 113,148	JPY 123,715 (+9.3%)

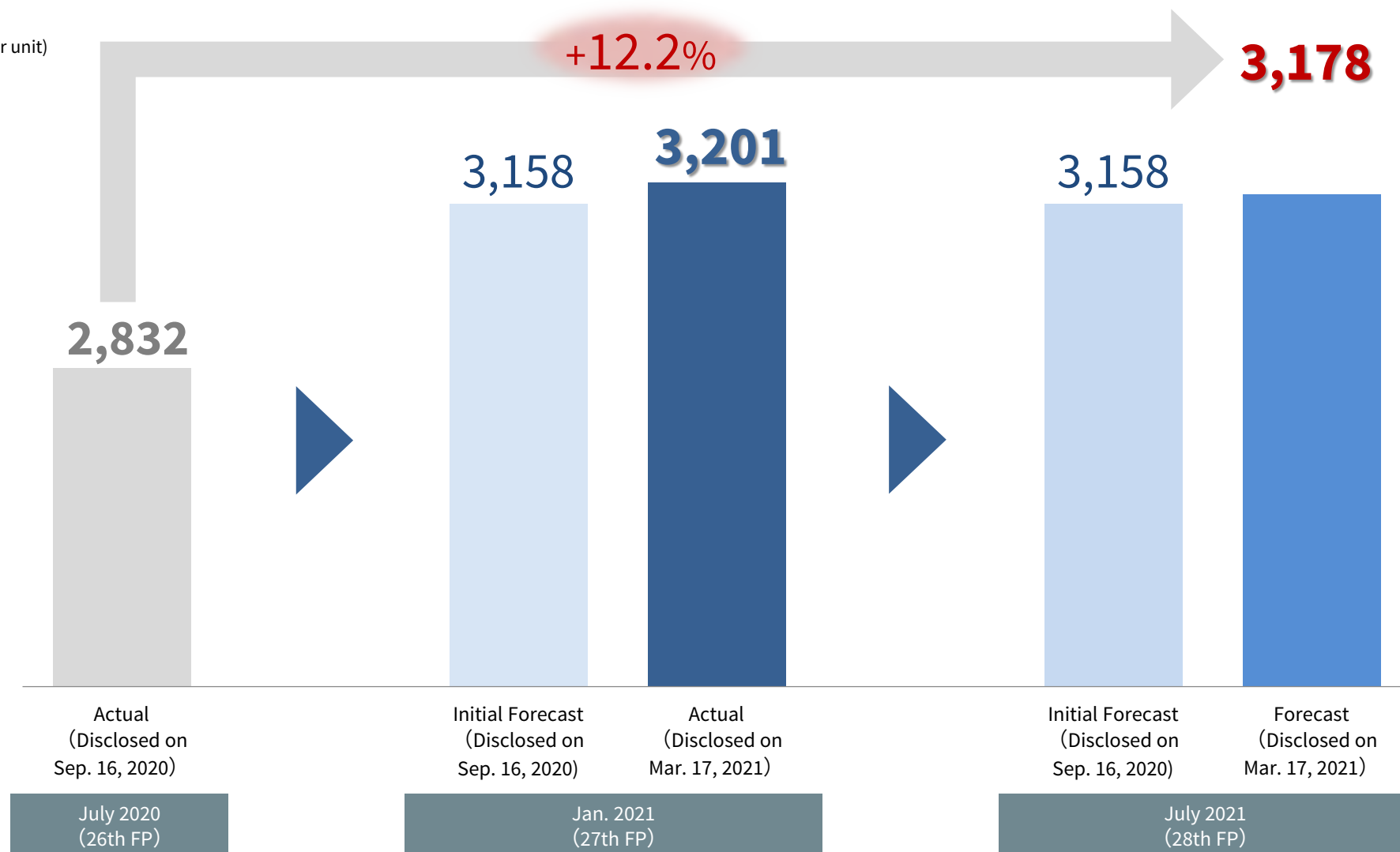
2. Continuous Growth of the Unitholders' Value : DPU Forecast



Significant DPU growth due to the acquisition of new properties

DPU Forecast

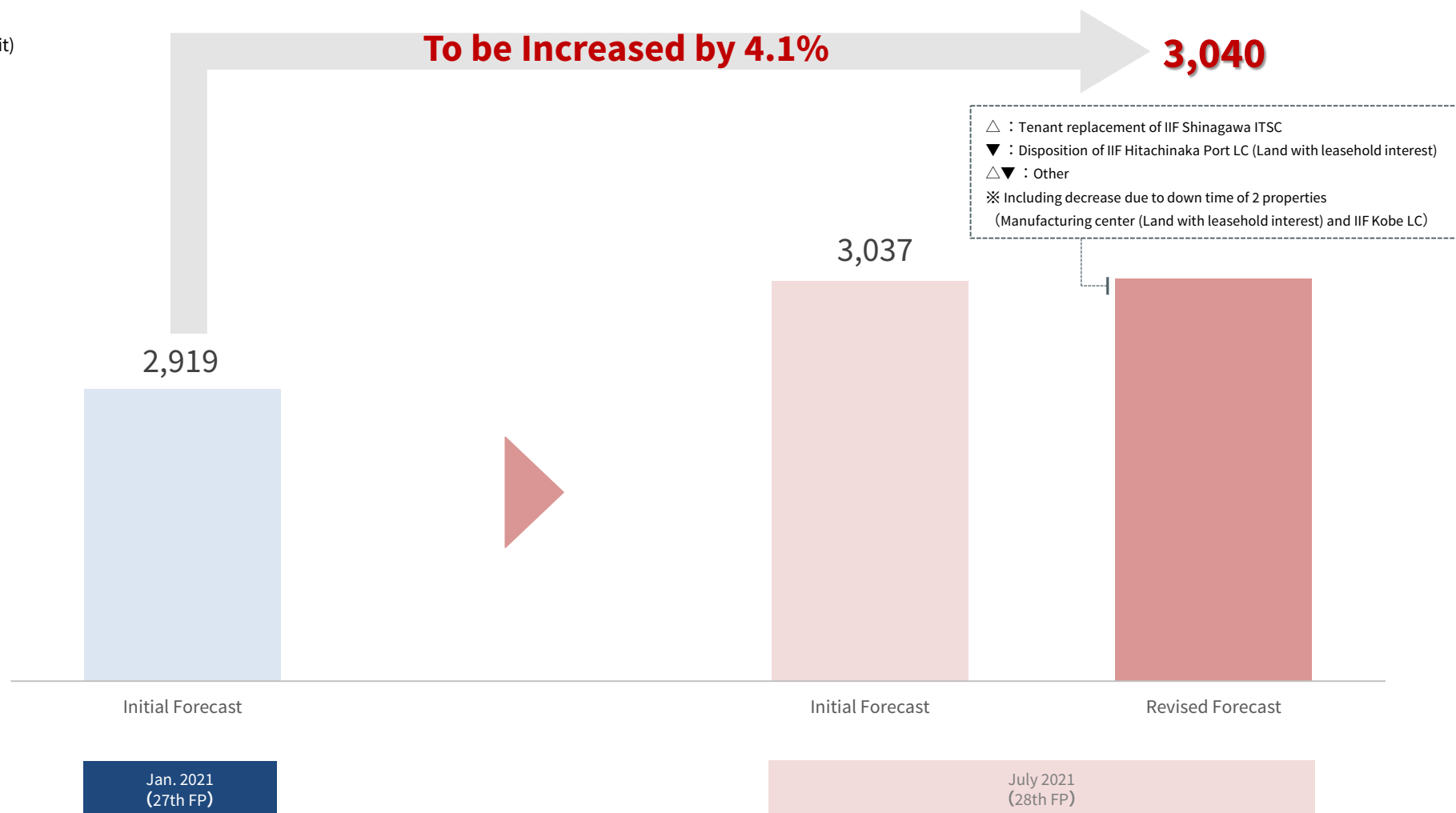
(JPY per unit)



Stabilized DPU after adjustment of property-related taxes and estimated one-time revenue loss is expected to grow by 4.1%

■ DPU Forecast (After adjustment of property-related taxes and estimated one-time revenue loss)

(JPY per unit)



Status of tenant replacement :

(1) Office and (2) Manufacturing center (Land with leasehold interest)

Measures to minimize down-time impact related to tenant replacement

Status : (1) Office

IIF Shinagawa IT Solution Center



Property Characteristics

- Located in Nishi Gotanda, Shinagawa-ku with good access from central Tokyo having strong company demand
- Highly convenient with a 2 minute walk from Fudomae Station on the Tokyu Meguro Line and a 11 minute walk from Gotanda Station on the Yamanote Line
- High specification with two emergency power generation equipments, floor-loading capacity of 400 kg/m² to 1t/m², and electric capacity of 40VA/m²

Jan. 2021 (27th FP)

July 2021 (28th FP)

Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.

Former tenant

Early lease cancellation

Original end of lease contact

New tenant

Executed new lease contract

New lease starts

Maintaining occupancy rate 100% by attracting new tenant without down-time

Status : (2) Manufacturing center
(Land with leasehold interest)

Background

Tenant may cancel lease contract early around fall in 2021 due to business strategy

Measure

Versatile land of manufacturing center located in industrial area

Focused on both new lease and disposition at the same time because several tenant candidates have already visited the site and some of them also have intent to acquire

Pursuing disposition because tenant replacement is highly likely to occur a certain period of down-time

Selecting a final buyer at present after having received letters of intent from several candidates

Status of tenant replacement : (3) IIF Kobe Logistics Center

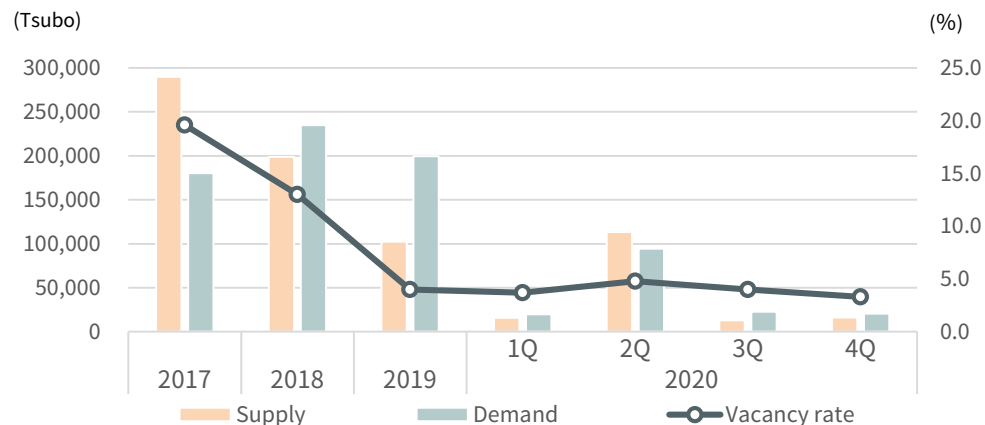
Aiming for leasing up after conversion to multi type building



Property Characteristics

- Maya wharf is located at the center of Kobe Port, which enables it to cover wide-area including the Hanshin area.
- Valuable logistics warehouse with highly versatile spec, located near the central area of Kobe City and near IC of expressway.

Logistics rent market in Greater Osaka Area (Note)



Background

Major toy distributor, the end tenant, cancelled lease early to leave

Measure

To be converted to multi-type facility by capturing high demand from tenants

- New elevator and vertical carrier shall be implemented
- Tenant demand is strong and several candidates have visited
- To lease up after conversion

Jan. 2021
(27th FP)

July 2021
(28th FP)

Jan. 2022
(29th FP)

July 2022
(30th FP)

Former
end tenant

Down time

New
end tenant

● Leave at the end of Feb.2021

● To lease up

Start ●

**Separation of lease floor
Implementation of EV and vertical carrier**


● Completion

Leasing activity for one year

Status of current leasing activity

Candidate	Business sector	Purpose of use	Floor needs
A	E-commerce	Distribution center in Kansai area	4,000~5,000 tsubo
B	E-commerce	Distribution center in Kansai area	4,000~5,000 tsubo
C	Delivery of daily necessities	Distribution center in Greater Osaka	4,000~5,000 tsubo

3. Investment Strategy Going Forward — “CRE Beyond”

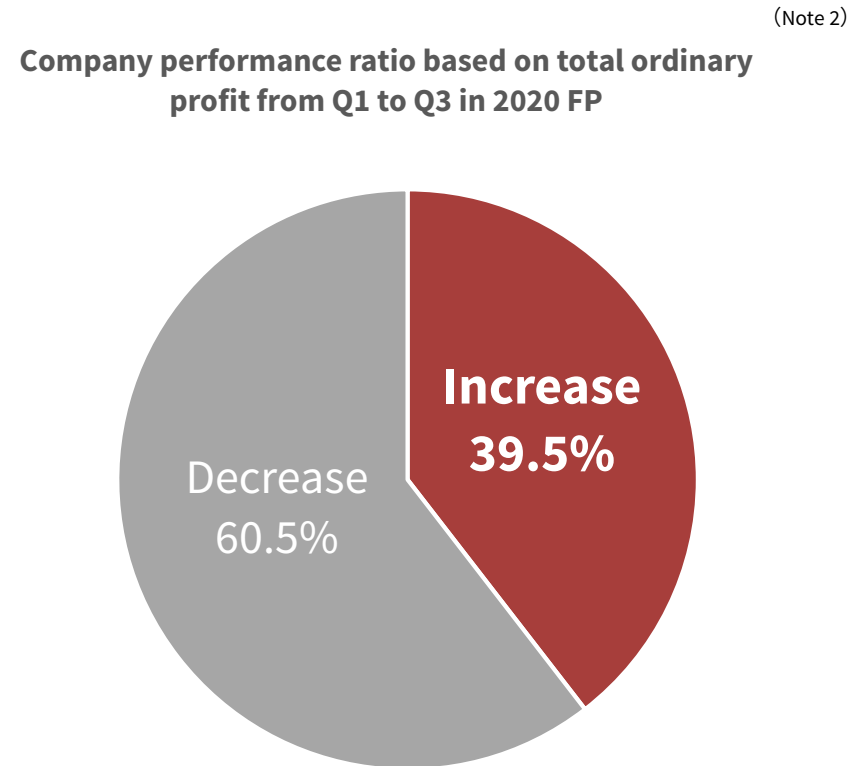
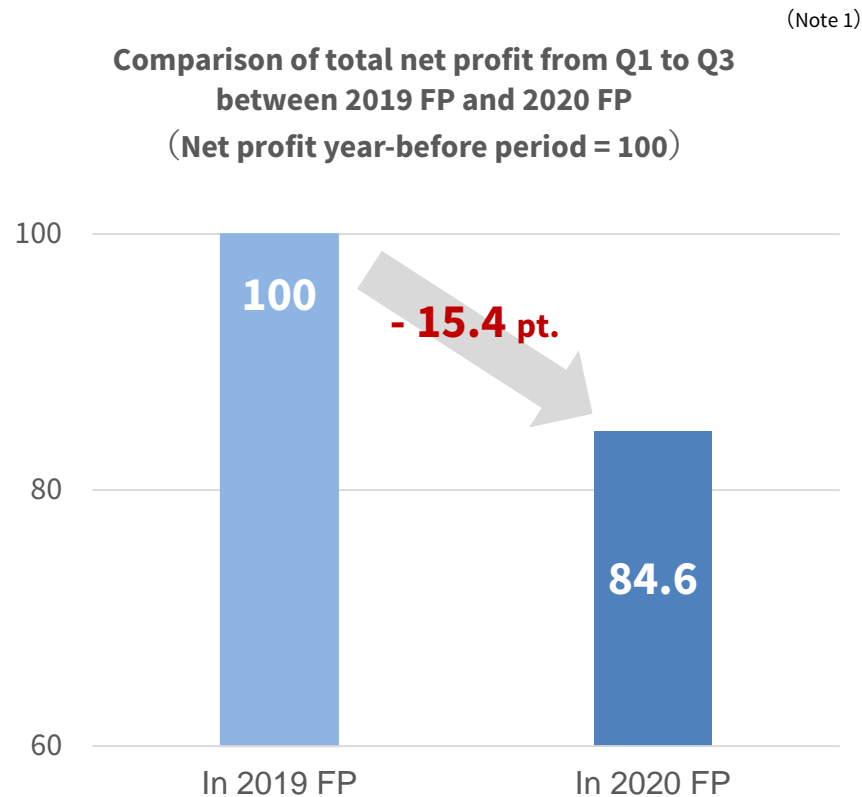


“CRE Beyond” is the advanced investment strategy for CRE proposals based on (i) Our past track record and know-how for the acquisition of properties through original CRE proposals, (ii) Our established track-record as a CRE solution provider enhancing our potential for further growth, and (iii) Leveraging on our experience and reputation as a CRE solution provider to identify new investment opportunities.

"Cash needs" and "New investment needs" have been mixed due to on going bipolarization of corporate performance in COVID-19 pandemic

■ Latest financial performance of listed companies

About **40%** of companies increased total ordinary profit year on year while total net profit of listed companies decreased by about 15.4pt



(Note 1) Created by the Asset Management Company based on disclosed data of net profit prepared by the 1,577 companies.

(Note 2) Created by the Asset Management Company based on 1,566 companies of which performance comparison can be calculated year on year.

Accumulated acquisition pipeline through unique solution proposals to diverse CRE needs

■ Acquiring assets with less competition and high growth prospects through CRE/PRE proposals

External Growth : CRE Beyond

Pursue first-mover advantage by responding to various disposition needs and developing new asset type through CRE/PRE proposals

Needs for Cash

< Pipeline with preferential negotiation right >

IIF Shonan Health Innovation Park
(40% co-ownership interest)



OTA Techno CORE
(Factory apartment in Ota City)



(Tentative)
Saitama Hanno manufacturing center
(land with leasehold interest)

NEW



(Tentative)
Shiga Omi Hachiman Logistics center

NEW



Needs for New Investment

Redevelopment

【IIF Atsugi LCIII】

NEW



【IIF Narashino LC I・II】

NEW



Extension

【IIF Atsugi MC】

NEW



■ Pipeline Status ^(Note)

Total number of properties under consideration **40 properties**

Total value of properties under consideration **JPY 238.9bn.**

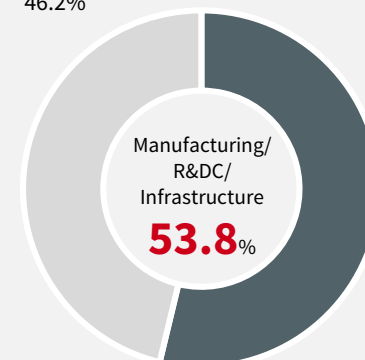
Number of properties currently under detailed consideration

12 properties

Breakdown of deals under detailed consideration

By Asset class (Based on price)

Logistics
46.2%



By source (Based on price)

Other
5.4%



(Note) The pipeline includes redevelopment projects for existing properties.

3. Investment Strategy Going Forward (1) Redevelopment Projects



To accumulate acquisition pipeline through development management capability

Proposed solutions to diverse needs of new investment by utilizing surplus Floor-Area Ratio ^(Note 1)

Achievement of redevelopment and extension

New development

Kawasaki SC
(R&DC)



Acquisition Price	JPY 2,168 mn.
NOI Yield	7.5%
Tenant	Johnson and Johnson

Gifu Kakamigahara LC
(Logistics)



Acquisition Price	JPY 2,343 mn.
NOI Yield	5.9%
Tenant	Shibusawa Warehouse

Hiroshima Seifushinto LC
(Logistics)



Acquisition Price	JPY 6,208 mn.
NOI Yield	5.7%
Tenant	Nest Logistics

Atsugi MC
(Manufacturing Center)



Acquisition Price	JPY 11,900mn.
NOI Yield	5.6%
Tenant	ICHIKOH INDUSTRIES

2014

2015

2016

2017

2018

2019

2020

After 2021

Extension and redevelopment

Nishinomiya LC
(Logistics)

Extension



Acquisition Price	JPY 859 mn.
NOI Yield	7.1%
Tenant	Suzuyo

Sendai Taiwa LC
(Logistics)

Extension



Acquisition Price	JPY 66 mn.
NOI Yield	6.2%
Tenant	Miyago Ryutsu

Fukuoka Hakozaiki LC II
(Logistics)

Extension



Acquisition Price	JPY 1,135 mn.
NOI Yield	6.5%
Tenant	ONOUN

Development Pipeline ^(Note 2)

Atsugi MC
(Manufacturing Center)

Extension



Narashino LC I & LC II
(Logistics)

Redevelopment



Atsugi LCIII
(Logistics)

Redevelopment



Development Pipeline (1) : IIF Atsugi Logistics Center III

Property in industrial area nearby IC of Ken-O Expressway with upside potential by redevelopment

Overview



Property Characteristics

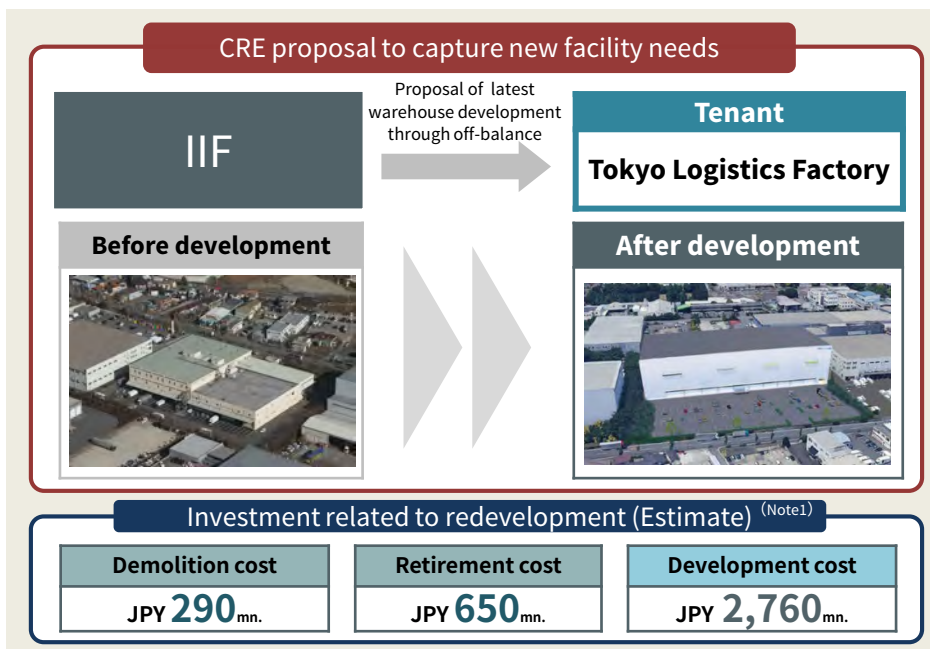
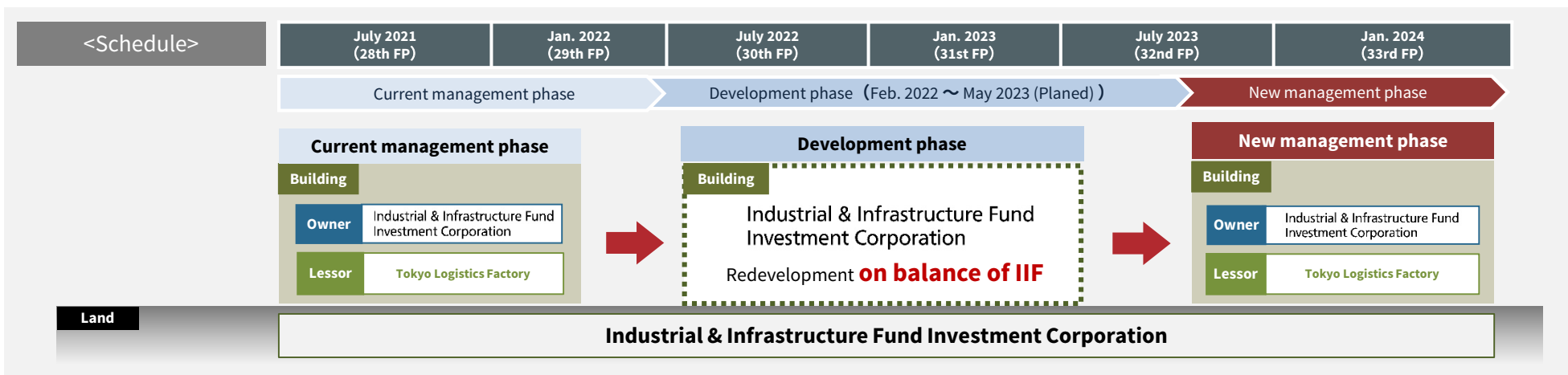
- Location with better access to major expressways within industrial area, allowing for 24-hour operation
- Major distribution center of Tokyo Logistics Factory, the leading 3PL, to cover Tokyo Metropolitan area
- The property has upside potential due to unused Floor-Area Ratio and gap between market rent and current rent though building age is over 40 years

Acquisition Price	JPY 2,290 mn.
Appraisal Value	JPY 3,200 mn.
Location	2.0km from Sagamihara-Aikawa IC on Ken-O Expressway
Land Area	17,415.20m ²
Floor Area	16,470.24m ²
Floor-Area Ratio (Current/Cap)	94% / 200%
Building Age	(Main building) 39 years / (Extension) 20 years
Tenant	Tokyo Logistics Factory
Lease term	From Feb. 1st 2017 to Jan. 31st 2022 (5 years)



Development Pipeline (1) : IIF Atsugi Logistics Center Ⅲ

By redevelopment, NOI shall increase drastically avoiding a decline in profitability due to future large-scale renovations



Key indices	Before redevelopment	After redevelopment
Floor Area (Estimate) (Note2)	16,470.24m ²	23,353.92m ² (Estimate)
		+ 41.8%
(Anticipated) Acquisition Price (Note3)	JPY 2,290 mn.	JPY 4,440 mn.
Appraisal Value (Note4)	JPY 3,200 mn.	To increase dramatically
Unrealized Gain Ratio (Note4)	+ 34.1%	
NOI per Annum (Note5)	JPY 160 mn.	JPY 298 mn. (+JPY 137 mn.)
NOI Yield/ NOI Yield after Depr. (Note5)	7.0% / 6.0%	6.7% / 5.2%
Building Age (Main/Extension) (Note6)	39 years / 20 years	New development

Development Pipeline (2) : IIF Narashino Logistics Center I & II

Integrated redevelopment project of large distribution center within logistics complex of Narashino area with better access to metropolitan area

Overview



IIF Narashino LC I (Land with leasehold interest)

Land Area	19,834 m ²
Lease Area	19,834 m ²
Acquisition Price	JPY 1,190 mn.
Land Lessee	Kajima Leasing JA Mitsui Leasing

IIF Narashino LC II

Land Area	58,070 m ²
Floor Area	25,835.16 m ²
Floor-Area Ratio	53% / 200%
Completion	Apr. 1991
Acquisition Price	JPY 4,550mn.
Lessee	Sapporo Breweries

Location characteristics

- Convenient location for large-scale logistics covering Tokyo central district and Tokyo metropolitan area with better access to Wangan Narashino IC of the Higashi Kanto Expressway and Hanawa IC of Keiyo Expressway
- Superior location to secure workforce due to bus commutation from Shin-Narashino Station on the JR Keiyo Line, the nearest station, meanwhile, no concern about future housing due to locating in large-scale logistics complex area
- Growing capability for logistics by open to traffic from the Misato-minami IC of Tokyo Gaikan Expressway to Koya IC of the Metropolitan Expressway / Koya Interchange



Development Pipeline (2) : IIF Narashino Logistics Center I & II

Redevelopment plan of BTS type and multi type facilities through integrated development of IIF Narashino LC I & LC II by capturing business expansion needs of Sapporo Breweries

Current facility layout



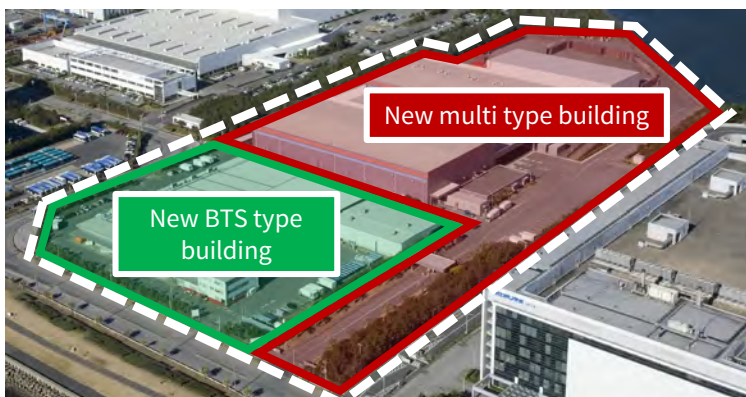
Lease area shall be triple through integrated redevelopment

Current					After development ^(Note)
	Acquisition Price (JPY in mn.)	Land Area (㎡)	Floor-Area Ratio Building Coverage Ratio (Designated)	Floor Area (㎡) (Lease area)	Floor area (㎡)
IIF Narashino LC I (land with leasehold interest)	1,190	19,834	50%	19,834.00	Approx. 132,000
IIF Narashino LC II	4,550	58,070	200%	25,835.16	
In total	5,740	77,904	—	45,669.16	
					132,000

Planned schedule

	2021	2022	2023	2024	2025	2026
Lease Contract of Existing Facility						
IIF Narashino LC I (land with leasehold interest)			● End of fixed-term land lease			
IIF Narashino LC II				● End of fixed-term lease		
Redevelopment Project						
Overall plan	◆ Conclusion of project agreement and each plan					
New BTS type facility		■ Design and construction		● Completion		
New multi type facility				■ Design and construction	● Completion	

Layout image after redevelopment



Development Pipeline (3) : IIF Atsugi Manufacturing Center

Facility expansion to improve further productivity related to business expansion of ICHIKOH INDUSTRIES

Overview



Property Characteristics

- Located approximately 7.0km from Tomei Expressway Atsugi IC, good access to central of western Tokyo and Kawasaki / Yokohama via National Route 246
- The new factory of Ichikoh Industries, Ltd., a 117 year-old manufacturer of automotive parts, serves as the base plant for automotive head lamps, the company's main product

Facility interior

- Plan to expand a part of atrium within existing building in order to improve productivity and usability



Extension(1)

Labo and test room
(Approx. 970m²)

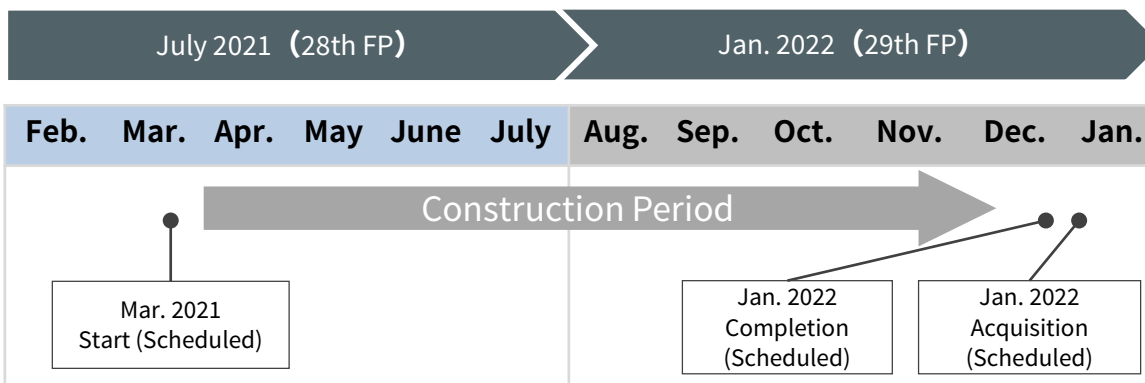
Extension(2)

Office and rest room
(Approx. 370m²)

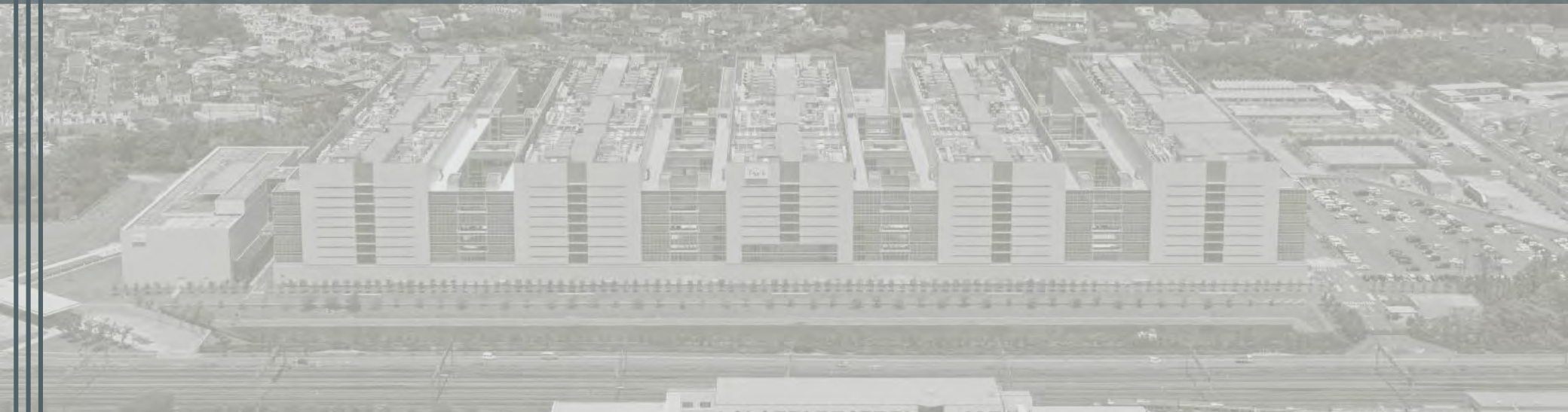
Key indices before and after expansion

	Existing	Expansion	Existing plus Expansion
(Anticipated) Acquisition Price (Note 1)	JPY 11,900 mn.	JPY 300 mn.	JPY 12,200 mn.
Appraisal Value (Note 3)	JPY 15,900 mn.	JPY 400 mn.	JPY 16,300 mn.
NOI per Annum (Note 4)	JPY 662 mn.	JPY 19 mn.	JPY 682 mn.
NOI Yield (Note 4)	5.6%	6.6%	5.6%
NOI Yield after Depreciation (Note 4)	4.4%	4.4%	4.4%

Schedule to completion

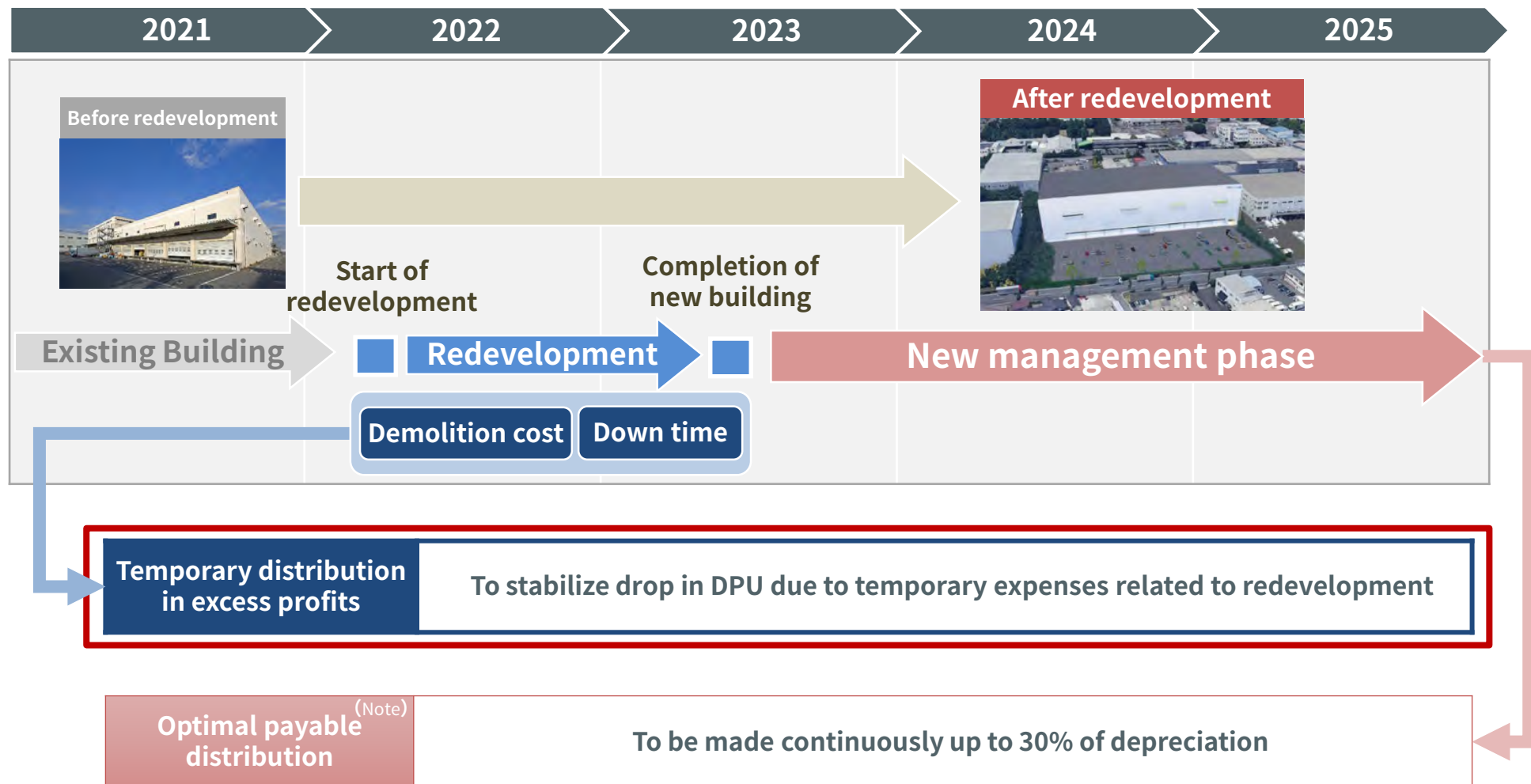


3. Investment Strategy Going Forward (2) Change in Distribution Policy



Change in distribution policy due to the start of redevelopment project

To stabilize DPU in both redevelopment phase and new management phase
(Case : Redevelopment project of IIF Atsugi Logistics center III)



(Note) The IIF Investment Corporation Code needs to be changed to start optimal payable distribution, thus, this plan is to be submitted to the unitholders' meeting to be held in October 2022. The same shall apply hereinafter.

Change in distribution policy (1)

: Additional cases permitting temporary distribution in excess profits

Change in distribution policy allowing for the compensation of drop in profit distribution, due to redevelopment, through optimal payable distribution

Additions shall be made to the event list to allow for temporary distribution in excess before engaging in redevelopment to compensate drop in profit distribution due to temporary costs such as demolition cost.

Cases permitting temporary distribution in excess profits

Present

Drop in DPU due to the acquisition of assets or fund raising related to the issuance of new investment units

Additional

1. Losses on retirement of fixed assets or other accounting losses due to redevelopment such as reconstruction or a decrease in revenue during the period of redevelopment
2. Incurrence of expenses for major repairs, etc. due to occurrence of natural disasters such as earthquakes, fires or other accident
3. Payment of legal settlement money, etc., losses on retirement of fixed assets, losses on sales of fixed assets or other temporary incurrence of considerable expenses

Change in distribution policy (2)

: Consideration of implementing Optimal Payable Distribution

■ Consideration of implementing optimal payment distribution to improve unitholder returns and increase operational flexibility

Background and purpose

Maximize unitholder value

Depending on the characteristics of the redevelopment and newly acquired properties, high building prices may result in depreciation accounting for a greater portion than the current portfolio average while capital expenditures may be limited.

IIF will be able to make optimal payable distribution, maximizing unitholder value, through more efficient cash management while taking into account the utilization of retained earnings for capital expenditures and ensuring financial stability.




Enhance management flexibility

IIF shall increase operational flexibility by limiting continual optimal payable distribution and maintaining disciplined cash management.

Optimal payable distribution shall be made at the **amount up to 30% of depreciation coming from new redevelopment properties** with a high proportion of building prices and a high proportion of depreciation costs

Reference : Yield improvement and needed cash related to optimal payable distribution

■ NOI yield and NOI yield after depreciation of development asset

	Kawasaki SC (New Development)	Gifu Kakamigahara LC (New Development)	Hiroshima Seifushinto LC (New Development)	In Total
Photo				
Acquisition Price (JPY in mn.)	2,168	2,343	6,208	10,719
(1) NOI Yield ^(Note1)	7.4%	6.2%	5.7%	6.1%
(2) NOI Yield after Depreciation ^(Note2)	5.2%	4.3%	4.0%	4.3%
(3) Depreciation Ratio ((1) — (2))	2.2%	1.9%	1.7%	1.8%

- To improve yield approximately by 0.6% due to optimal payable distribution
- Approx. JPY 21mn. is needed for optimal payable distribution related to redevelopment of JPY 10bn. in total



Portfolio Average	
(1) NOI Yield	5.9%
(2) NOI Yield After Depreciation	4.9%
(3) Depreciation Ratio ((1) — (2))	1.0%

■ Yield increase ratio by optimal payable distribution (30% of depreciation)

	Kawasaki SC (New Development)	Gifu Kakamigahara LC (New Development)	Hiroshima Seifushinto LC (New Development)	In Total
NOI yield after depreciation	5.2%	4.3%	4.0%	4.3%
Yield increase ratio by optimal payable distribution (30% of depreciation)	+0.7%	+0.6%	+0.5%	+0.6%
NOI yield after depreciation ^(Note3) (After adjustment by optimal payable distribution)	5.9%	4.9%	4.5%	4.9%



Funds for optimal payable distribution related to listed three assets ^(Note4)	
Depreciation of Listed Three Assets for 6 months × 30%	JPY 21mn.
Optimal Payable Distribution per Unit	+JPY 10 per unit

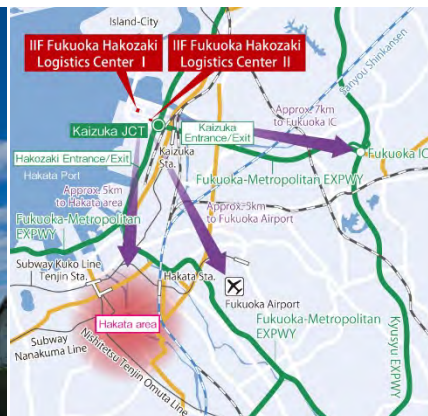
4. Current Status of Operations and Initiatives Going Forward

(1) Management of Current Portfolio: “3C Management”

“3C Management” is a portfolio management method of (i) grasping tenants’ true needs through close communication(Communicate); (ii) strategically making custom-made proposals to meet tenants’ individual needs(Customize); and (iii) creating unitholder value through long-term stable management coupled with enhanced profitability and asset value (Create).

IIF Fukuoka Hakozaki LC II : Steadily realized investment strategy focusing on upside potential

Greatly improved profitability by value-up initiatives through capability of development management and leasing

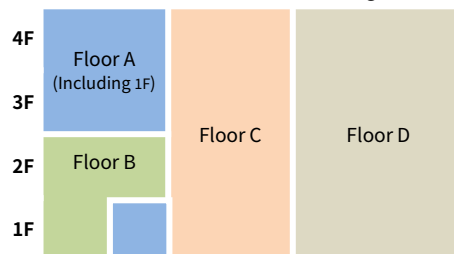


Property Characteristics

- Large and highly-versatile logistics facility that enables tenants to handle a variety of goods, with other advantages such as good access to the port, airport and expressways and proximity to the Hakata area
- Fukuoka/Hakozaki waterfront area, which is operational 24/7 and is convenient for transport due to its proximity to the interchange, train station, port of Hakata, Fukuoka airport and railway cargo terminal station, where manufacturing plants and logistics facilities are concentrated

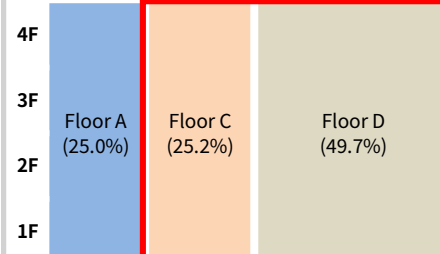
As of acquisition

<Floor structure of main building>

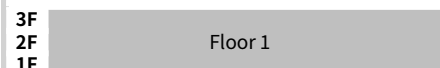


As of the end of 27th FP

<Floor structure of main building>



<Extension>



AS of acquisition

2017	Acquired 60% co-ownership interest of main building	NOI Yield 4.4%
2018	Acquired 60% co-ownership interest of main building and extension	NOI Yield 4.7%
2020	Revised lease contract related to Floor A	NOI Yield 4.9%
2021	Revised lease contract related to Floor C and Floor D	NOI Yield 5.3%

① Value-up initiative(1) (Improving profitability through extension)

② Value-up initiative(2) (Improving profitability through leasing)

Steadily improved profitability

As of new acquisition (60% co-ownership interest of main building)

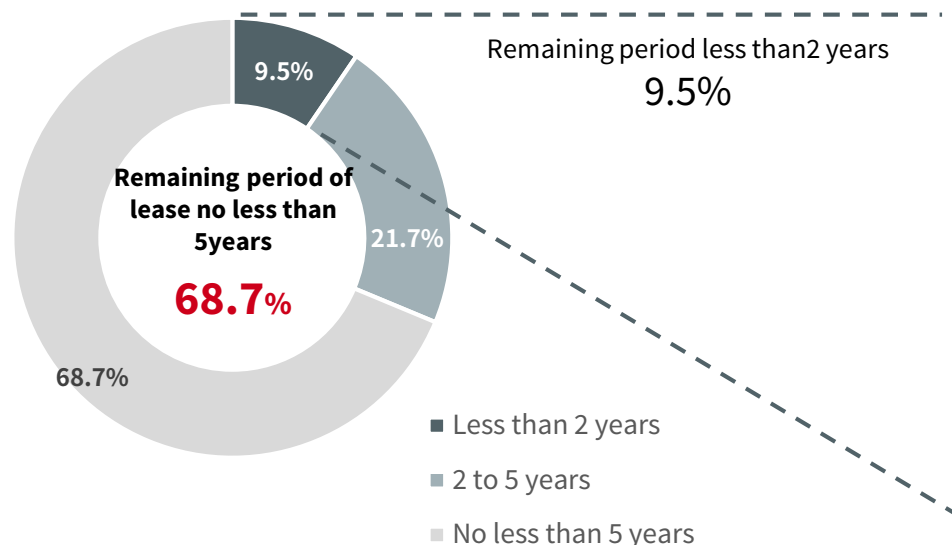
Acquisition Price	JPY 5,451 mn.
(Note 1) Appraisal Value	JPY 5,530 mn. (Unrealized gain +1.4%)
(Note 2) NOI Yield	4.4%
(Note 2) NOI Yield after Depreciation	3.6%
Remaining Lease Period	3.4 years

After value-up initiatives (Main building 100% + Extension)

JPY 10,179 mn.
JPY 11,400 mn. (Unrealized gain + 12.2%)
5.3%
4.3%
7.5 years

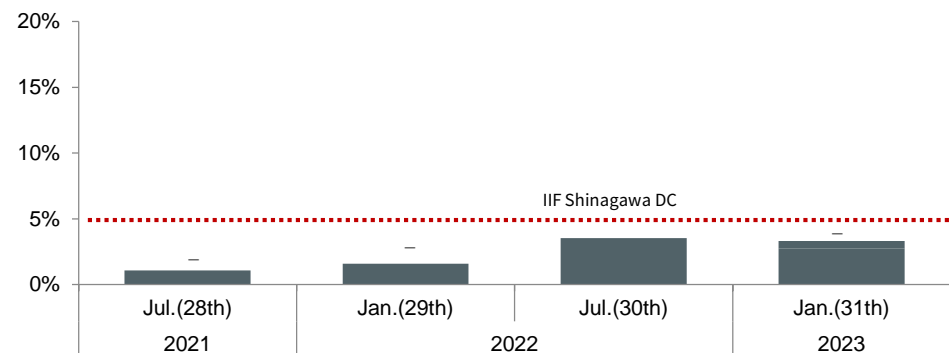
Continuous actions to key tenants facing lease expiration

■ Distribution of lease expiration periods (annual rent basis)



Distribution of leases expiring within the next two years (annual rent basis)

<Rent income contribution in the entire portfolio>



※ Only asset names accounting for 1.0% or more of the entire portfolio are listed above.

■ Response to key tenants facing lease expiration in next two years (Only tenants accounting for 1.0% or more of the entire portfolio)

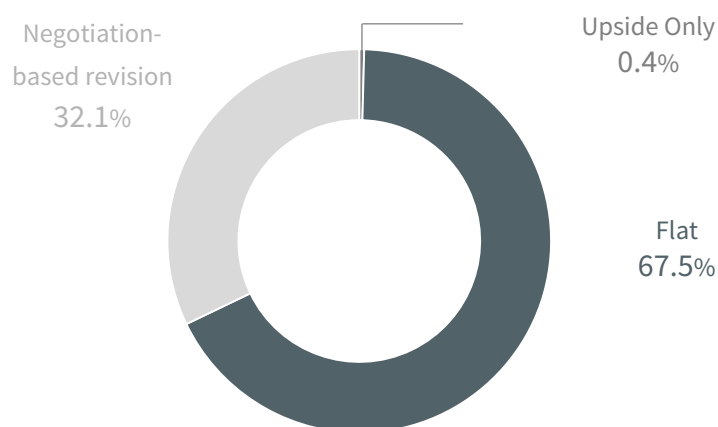
	Lease Expiry	Property Name	Tenant	Achievements / Action Plans	
July 2021 (28th FP)	2/28/2021	IIF Mitaka CC	JCB Co., Ltd.	Concluded a change contact of ordinary building lease to extend lease term to additional 10 years with the existing tenant	Concluded
	7/25/2021	IIF Zama ITSC	IBM Japan, Ltd.	Concluded a new fixed-term building lease contract for 5 years with the existing tenant	Concluded
July 2022 (30th FP)	3/6/2022	IIF Shinagawa DC	XYMAX corporation	Under negotiation for contract terms and assuming renewal after confirming intention of continued use	In progress

Achieve internal growth while continuously executing measures for environmental conservation

Key internal growth and stabilization measures

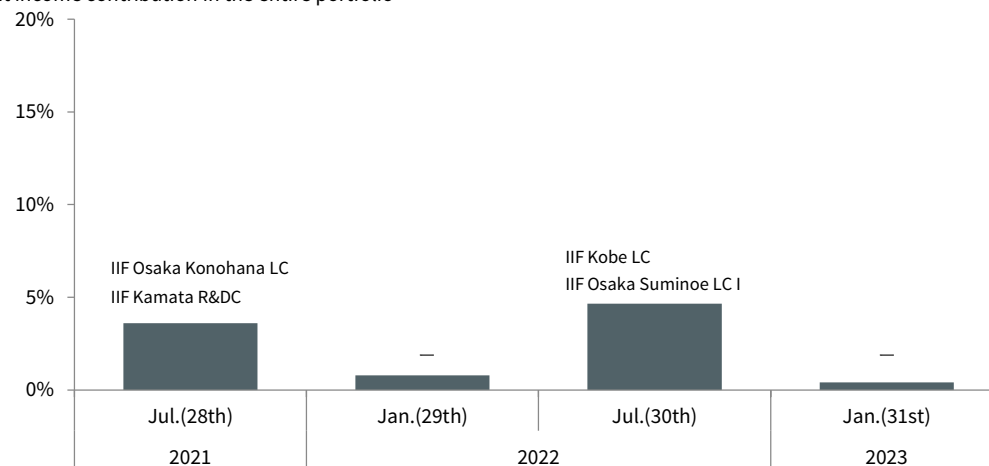
	Effective Date	Property Name	Measures	Status	Rent Increase
Jan. 2021 (27th FP)	Jan. 2021	IIF Koshigaya LC	Contracted new fixed-term lease with the existing tenant and to be realized rent growth by capturing market rent	Increased	Not disclosed
	Jan. 2021	IIF Fukuoka Hakozaki LC II	Contracted new fixed-term lease agreement on one floor (Floor D) scheduled to expire and to be realized rent growth by capturing market rent	Increased	Not disclosed
	Jan. 2021	IIF Haneda Airport MC	3% rent increase from the current rent starting from January 1, 2021 based on the current contract	Increased	+ JPY 58.4M p.a.
July 2021 (28th FP)	Apr. 2021	IIF Mitaka CC	Contracted partial benefit from the reduced electricity charge due to the installation of LED lighting	Increased	Not disclosed
Jan. 2022 (29th FP)	Aug. 2021	IIF Fukuoka Hakozaki LC II	Contracted new fixed-term lease agreement on one floor (Floor C) scheduled to expire and to be realized rent growth by capturing market rent	Increased	Not disclosed
	Jan. 2022	IIF Atsugi MC	To be increased after Jan. 2022 through new acquisition of extension to be constructed within existing building	To be increased	Not disclosed

Rent revisions (annual rent basis) (Note)



Rent contracts to be renewed within the next two year

<Rent income contribution in the entire portfolio>



※ Only asset names accounting for 1.0% or more of the entire portfolio are listed above.

4. Current Status of Operations and Initiatives Going Forward

(2) Financial Strategy: “ALM”



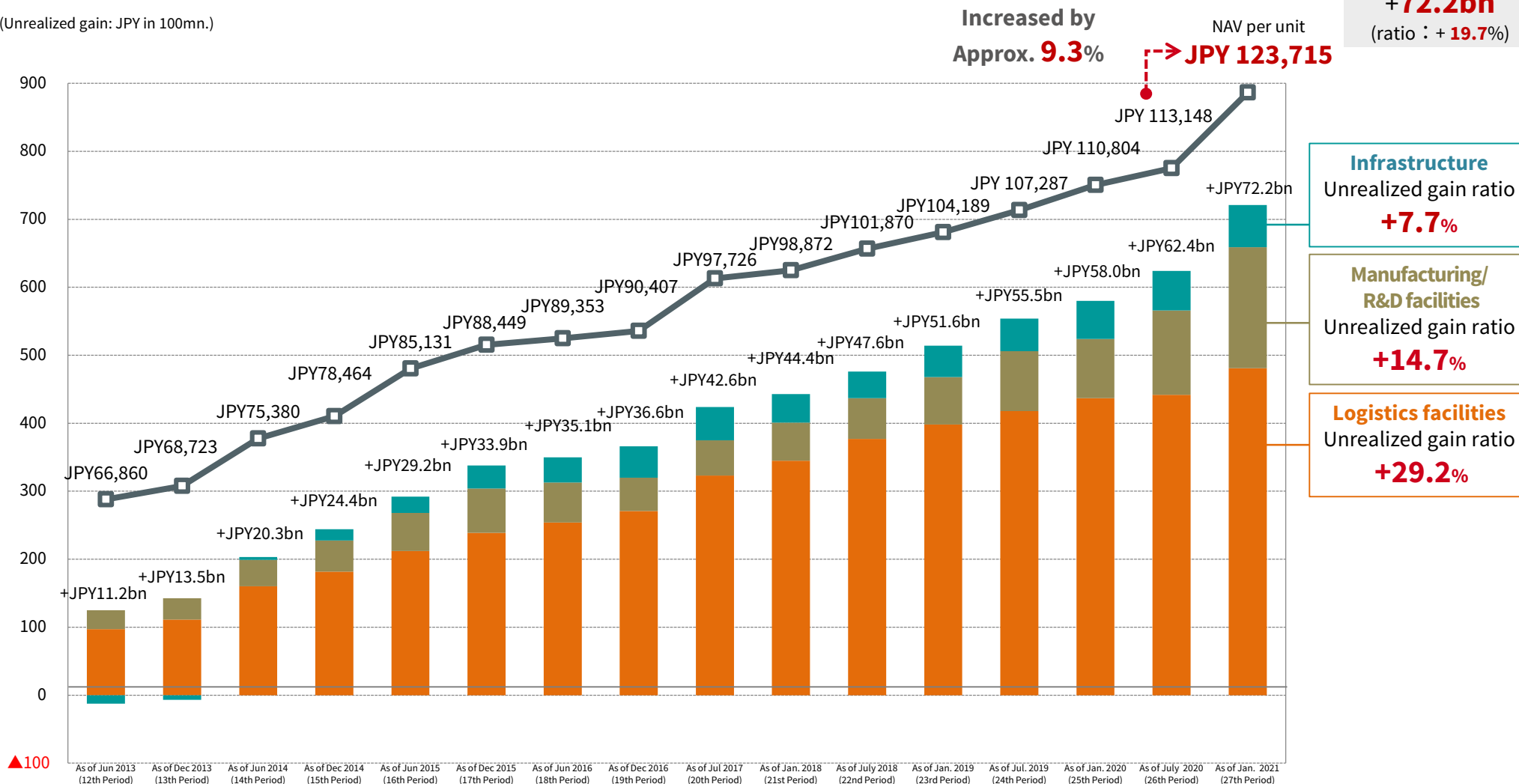
“ALM” refers to the financing strategy which intends to maintain a stable and efficient financial condition, in order to achieve stable revenues and continuous growth of our portfolio. Implementation of the ALM strategy whereby matching stable and long-term lease contract periods with long-term fixed-rate loan periods.

Unrealized gain to reach JPY 72.2bn (ratio+19.7%) after new acquisition

■ Unrealized gain / NAV per unit

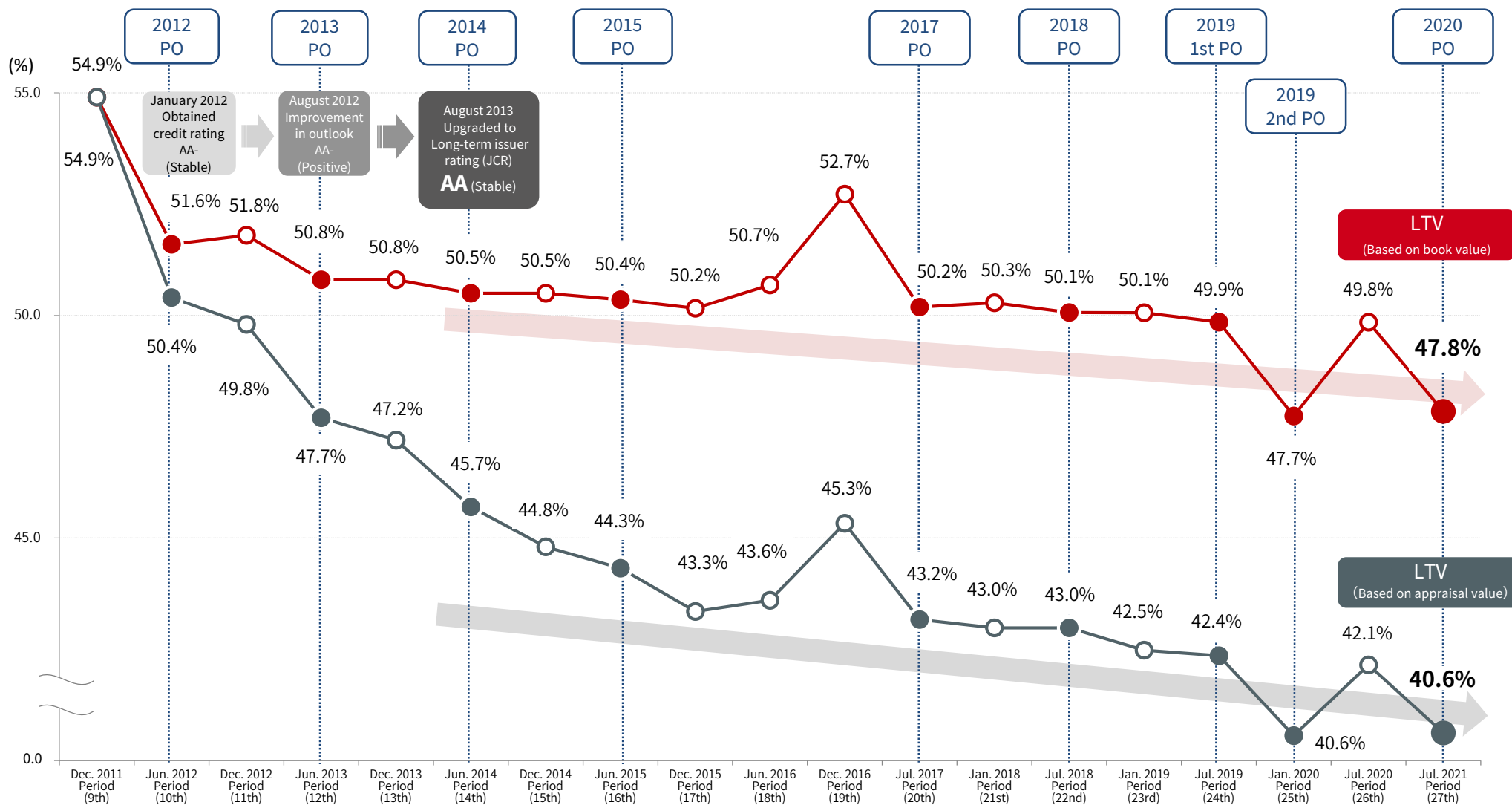
Unrealized gain
+**72.2bn**
(ratio : + **19.7%**)

(Unrealized gain: JPY in 100mn.)



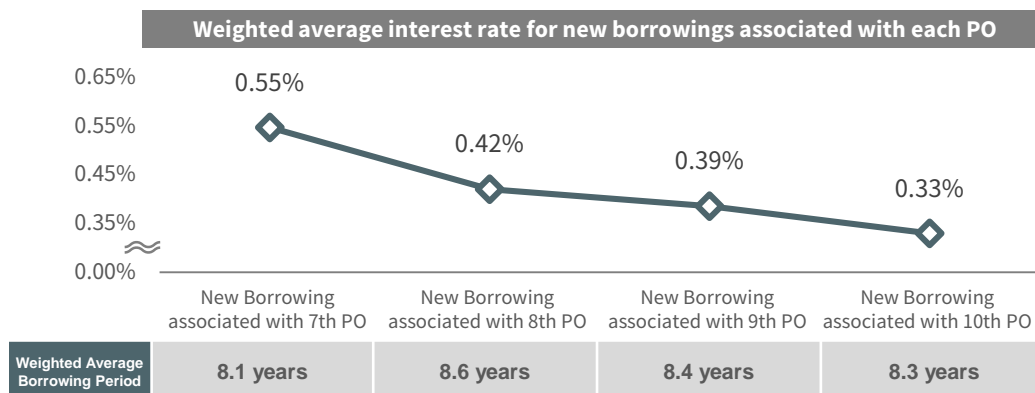
LTV has dropped through constant public offering

Historical LTV



Further reduction in interest costs and strengthening of financial base

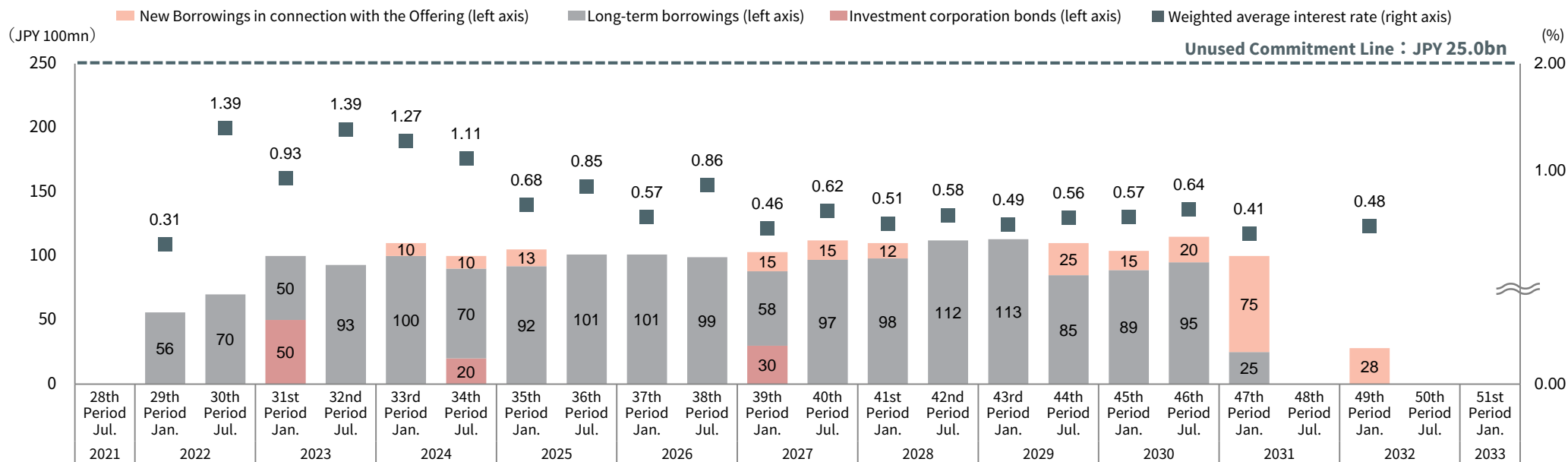
High stability and credit lead to lower interest on new borrowings



Key indices

	July 2020 (26th FP)	Jan. 2021 (27th FP)
Issuer's Long-term Credit Rating (JCR)	AA _(stable)	AA _(stable)
LTV	49.8%	47.8%
Average Borrowing Period	9.3years	9.2years
Average Interest Rate	0.79%	0.74% (▲0.06pt.)

Maturity ladder and weighted average interest rate



5. Approach to ESG



Continuous MC-UBS group initiatives for ESG

Continuous Commitment to ESG

2013	<ul style="list-style-type: none"> Established an “Environment Charter” Established the Basic Policy for Responsible Property Investment <ul style="list-style-type: none"> Established Sustainability Committee with the Asset Manager’s CEO as Chairman Signed the “Principles for Responsible Investment (PRI)” proposed by the UN Secretary General Became the first J-REIT asset manager to sign the “Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)” drawn up with the Ministry of Environment serving as secretariat
2015	<ul style="list-style-type: none"> Became the first J-REIT asset manager to sign the “Montreal Carbon Pledge”, a new commitment to reduce CO₂, drawn up by the United Nations PRI General Assembly
2016	<ul style="list-style-type: none"> Became the first J-REIT asset manager to sign the “United Nation’s Environment Programme – Finance Initiative (UNEP FI)” and participate in a working group Became the first J-REIT asset manager to sign the United Nations Global Compact (UNGC), an organization led by the UN Secretary General
2019	<ul style="list-style-type: none"> Expressed support for the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)”
2020	<ul style="list-style-type: none"> Newly organized a “Sustainability Committee” Introduced Chief Sustainability Officer (CSO)

Signatory of:



WE SUPPORT (★)



Signatory of:



* Since 2016, the Asset Manager has been supporting the UN Global Compact corporate responsibility initiative and its principles in the areas of “human rights”, “labor”, “the environment” and “anti-corruption”

Inclusion in MSCI Japan ESG Select Leaders Index ^(Note)

2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

IIF has been included in the MSCI Japan ESG Select Leaders Index, launched by MSCI on July 3, 2017. As of the end of June 2020, the ESG rating for IIF is “A”

※For the details of the footnotes, see Page 42 ~ 43.

External Recognition and Certifications

■ GRESB Real Estate Assessment

Designated as the Highest Rank “Five Stars”



■ CASBEE for Real Estate Certification

IIF Nishinomiya LC, IIF Fukuoka Hakozaki LC II, IIF Itabashi LC and IIF Gifu Kakamigahara LC newly received “CASBEE for Real Estate Certification” in Oct., 2020. 20 properties have received this certification as of the end of Jan. 2021



IIF Fukuoka Hakozaki LC II



IIF Nishinomiya LC



■ BELS Rating

As of the end of Jan 2021, 12 properties have received the BELS rating



BELS rating certified properties	
IIF Noda LC	IIF Kashiwa LC
IIF Yokohama Tsuzuki LC	IIF Nishinomiya LC
IIF Hiroshima LC	IIF Atsugi LC III
IIF Gifu Kakamigahara LC	IIF Hiroshima Seifushinto LC
IIF Kawasaki SC	IIF Shinkawasaki R&DC
IIF Haneda Airport MC	IIF Shinagawa ITSC

■ DBJ Green Building Certification

As of the end of Jan. 2021, five properties have received the DBJ Green Building certification



DBJ Green Building certified properties	
IIF Hiroshima LC	IIF Kobe LC
IIF Tosu LC	IIF Koshigaya LC
IIF Noda LC	

Recent ESG initiatives

Providing ground free of charge to install temporary medical facilities for COVID-19 (IIF Shonan HIP)

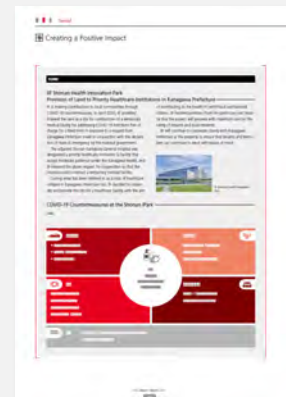
In April 2020, IIF Shonan Health Innovation Park (IIF Shonan HIP) provided a ground for this facility free of charge (leased) for construction of a temporary medical facility for COVID-19 infectious disease in response to a request from Kanagawa Prefecture in accordance with the government's declaration of emergency situations. This was due to the fact that Shonan Kamakura General Hospital, which is adjacent to the property, was designated as a priority medical institution under the Kanagawa Model (an institution accepting patients with moderate diseases), and in order to construct a temporary medical facility for the hospital, the above-mentioned cooperation was requested.

Please refer to website of Kanagawa prefecture for the detail
<https://www.pref.kanagawa.jp/docs/ga4/prs/r3241191.html>



Publication of ESG Report

MCUBS has compiled ESG activities across the entire Group and published an ESG report, with the hope of sharing the Group's basic ESG approach and activities with all of our stakeholders.



※Please refer to IIF's website for the detail of ESG Report

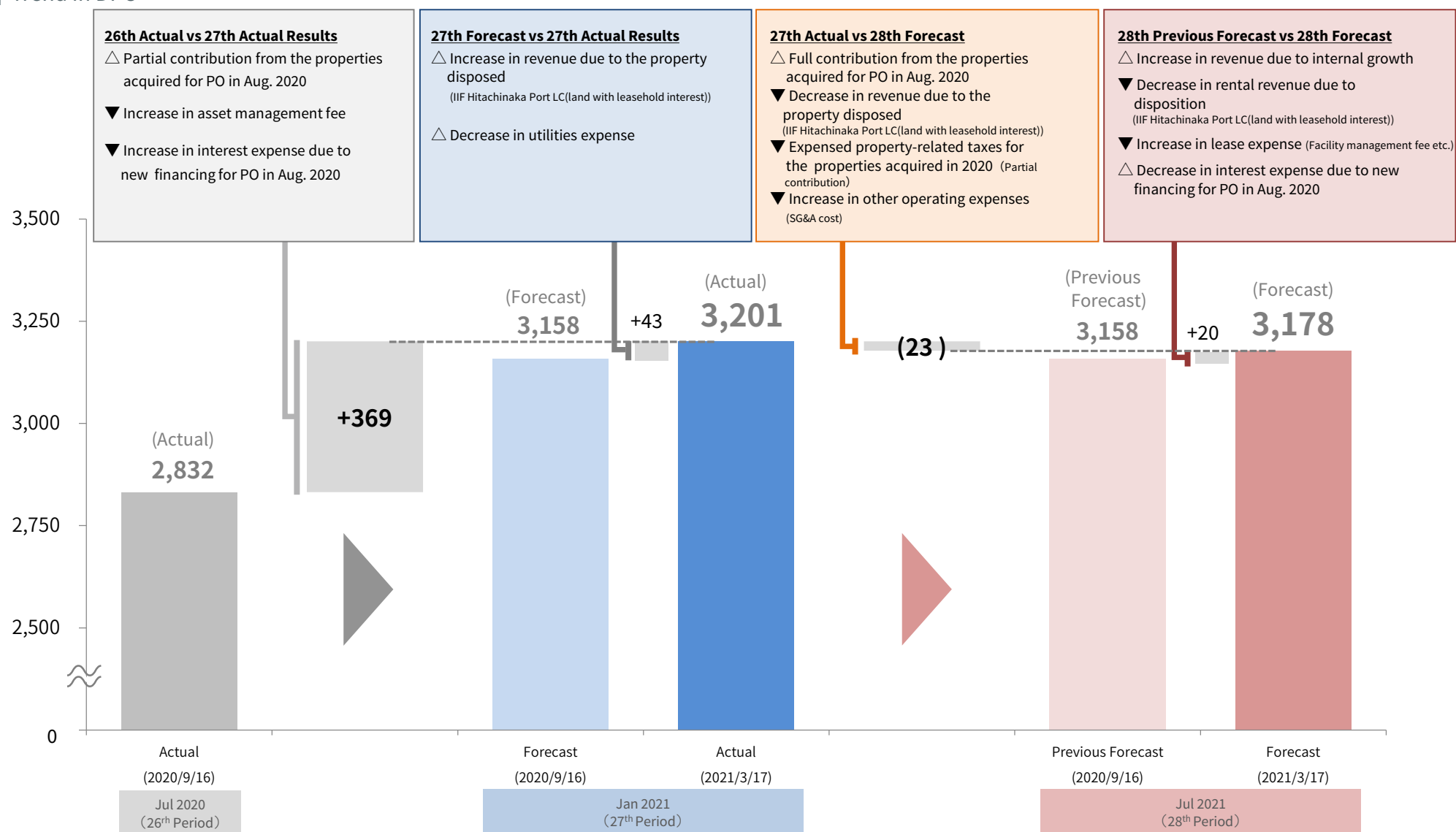
https://iif-reit_sustainability.disclosure.site/en/themes/76/

6. Operating Results for the January 2021 (27th) Fiscal Period and Earnings Forecast for the July 2021 (28th) Fiscal Period



DPU in 27th increased due to contribution of revenue from new properties and gain on sales

Trend in DPU



Operating Results for the July 2021 (27th) Financial Periods

Key P/L Figures	(JPY mn)				(JPY mn)			
	Jul. 2020	Jan. 2021 (27th Period Actual)	Period over period		Jan. 2021	Jan. 2021 (27th Period Actual)	Period over period	
	(26th Period Actual)				(27th Period Forecast)			
Operating revenue	10,984	13,892	+2,908	+26.5%	13,897	13,892	(5)	(0.0)%
Operating expense	4,736	6,278	+1,541	+32.6%	6,350	6,278	(72)	(1.1)%
Operating Income	6,247	7,614	+1,366	+21.9%	7,546	7,614	+67	+0.9%
None-operating income	0	2	+2	+572.1%	-	2	+2	-
Non-operating expense	929	997	+68	+7.4%	1,014	997	(16)	(1.6)%
Ordinary income	5,318	6,618	+1,300	+24.4%	6,532	6,618	+86	+1.3%
Net income	5,317	6,617	+1,300	+24.5%	6,530	6,617	+86	+1.3%
Distributions per unit (yen)	2,832	3,201	+369	+13.0%	3,158	3,201	+43	+1.4%
Capital expenditure	699	1,014	(Note1)+315	+45.1%	1,063	1,014	(48)	(4.5)%
Repair expense	98	375	(Note2)+277	+282.3%	392	375	(16)	(4.3)%
Total	797	1,390	+592	+74.3%	1,455	1,390	(65)	(4.5)%
Depreciation	1,585	1,791	+206	+13.0%	1,789	1,791	+2	+0.1%
FFO	6,902	8,385	+1,483	+21.5%	8,320	8,385	+65	+0.8%
AFFO	6,203	7,371	+1,167	+18.8%	7,257	7,371	+114	+1.6%
Number of properties	75	77	-	-	78	77	-	-
Occupancy rate	100.0%	100.0%	-	-	100.0%	100.0%	-	-
Total book value	321,217	367,081	+45,863	+14.3%				
Total appraisal value	383,703	439,309	+55,606	+14.5%				
Unrealized gain	62,485	72,227	+9,742	+15.6%				
Total debt	170,583	194,383	+23,800	+14.0%				
LTV	49.8%	47.8%	(2.0)pt	(4.0)%				
Total net assets	155,107	190,053	+34,946	+22.5%				
Net assets per unit	82,503	91,812	+9,309	+11.3%				

(Note 1) Major capital expenditures for the 27th FP

IIF Shonan HIP	: JPY 116mn for renewal of A13E area
IIF Haneda Airport MC	: JPY 69mn for installation of wire mesh to prevent the top-lighting from falling
IIF Sagamiyara R&DC	: JPY 60mn for outdoor air conditioning unit

(Note 2) Major repair cost expensed in the 27th FP

IIF Shonan HIP	: JPY 76mn for inspection of air conditioning equipment
IIF Shonan HIP	: JPY 34mn for partial repair of ceiling
IIF Shonan HIP	: JPY 27mn for inspection of air conditioning equipment

(JPY mm.)

■ Major Factors of change for 27th Period (Compared to 26th Actual)

Operating Revenue +2,908

- ✓ Partial contribution from the properties acquired for PO in Aug. 2020 +2,468
- ✓ Full contribution from the properties acquired for PO in Dec. 2019 +379
- ✓ Increase in rental revenue due to internal growth +42
(IIF Shinkawasaki R&DC and IIF Shinagawa ITSC etc.)
- ✓ Gain on sale from the disposition of the property +23
(IIF Hitachinaka Port LC(land with leasehold interest))

Operating Expense +1,541

- ✓ Increase in lease expense due to the new properties acquired for PO in Aug. 2020 +1,083
- ✓ Increase in lease expense (Brokerage fee) +10
- ✓ Increase in expensed property-related taxes (due to the properties acquired in 2019 (Full contribution)) +34
- ✓ Increase in depreciation for the new properties acquired +206
- ✓ Increase in asset management fee due to the new properties acquired +181
- ✓ Increase in other operating expense (SG&A) +24

Non-Operating Expense +68

- ✓ Increase in interest expense for new debt for PO in Aug. 2020 +37
- ✓ Increase in interest expense for new debt in 26th FP etc. +12
- ✓ Increase in interest expense due to the difference in business days +8
- ✓ Increase in amortization for new units issued for PO in Aug. 2020 +13

■ Major Factors of Change for 27th Period (Compared to 27th Forecast)

Operating Revenue (5)

- ✓ Gain on sale from the disposition of the property +23
(IIF Hitachinaka Port LC(land with leasehold interest))
- ✓ Decrease in utilities expense received (27)
(IIF Sagamiyara R&DC, IIF Osaka Toyonaka DC etc.)

Operating Expense (72)

- ✓ Decrease in lease expense (Utilities expense paid; IIF Shonan HIP etc.) (70)

Non-Operating Expense (16)

- ✓ Decrease in interest expense for new debt for PO in Aug. 2020 (10)

Earnings Forecast for the July 2021 (28th) Fiscal Periods

(JPY mn)				
	Jan. 2021 (27th Period Actual)	Jul. 2021 (28th Period Forecast)	Period over period	
Operating revenue	13,892	14,888	+995	+7.2%
Operating expense	6,278	7,339	+1,060	+16.9%
Operating Income	7,614	7,549	(64)	(0.9)%
None-operating income	2	-	(2)	-
Non-operating expense	997	976	(21)	(2.1)%
Ordinary income	6,618	6,572	(46)	(0.7)%
Net income	6,617	6,570	(47)	(0.7)%
Distributions per unit (yen)	3,201	3,178	(23)	(0.7)%

Capital expenditure	1,014	1,129	(Note1) +114	+11.3%
Repair expense	375	515	(Note2) +140	+37.3%
Total	1,390	1,644	+254	+18.3%
Depreciation	1,791	1,859	+67	+3.8%
FFO	8,385	8,430	+44	+0.5%
AFFO	7,371	7,300	(70)	(1.0)%
Number of properties	77	77	-	-
Occupancy rate	100.0%	100.0%	-	-

(Note 1) Major capital expenditures planned in the 28th FP

IIF Shinonome LC	: JPY 112mn repair of rooftop waterproof, wall waterproof and green space
IIF Shinagawa DC	: JPY 59mn for renewal of central monitoring equipment
IIF Mitaka CC	: JPY 58mn for renewal of chiller unit

(Note 2) Major repair cost planned in the 28th FP

IIF Shonan HIP	: JPY 54mn for repair of external ceiling
IIF Shonan HIP	: JPY 51mn for filter replacement
IIF Shonan HIP	: JPY 45mn for inspection and maintenance of water supply drain facilities

(JPY mn)				
	Jul. 2021 (28th Period Previous Forecast)	Jul. 2021 (28th Period Forecast)	Period over period	
Operating revenue	14,837	14,888	+50	+0.3%
Operating expense	7,311	7,339	+27	+0.4%
Operating Income	7,526	7,549	+23	+0.3%
None-operating income	-	-	-	-
Non-operating expense	993	976	(17)	(1.7)%
Ordinary income	6,532	6,572	+40	+0.6%
Net income	6,530	6,570	+40	+0.6%
Distributions per unit (yen)	3,158	3,178	+20	+0.6%

■ Major Factors of Change for 28th Period (Compared to 27th Actual)

Operating Revenue	+995
✓ Full contribution from the properties acquired for PO in Aug. 2020	+1,145
✓ Increase in revenue due to the internal growth (IIF Fukuoka hakozaki LC II and IIF Shinagawa ITSC etc.)	+72
✓ Decrease in rental revenue due to down-time (IIF Kobe LC)	(172)
✓ Diminished gain on sale from the disposition of the property (IIF Hitachinaka Port LC (land with leasehold interest))	(23)

Operating Expense	+1,060
✓ Increase in lease expense due to the new properties acquired for PO in Aug. 2020	+768
✓ Increase in expensed property-related taxes due to the properties acquired in 2020 (Partial contribution)	+192
✓ Increase in depreciation for the new properties acquired	+67
✓ Increase in asset management fee due to the new properties acquired	+9
✓ Increase in other operating expense (SG&A)	+34

Non-Operating Expense	(21)
✓ Increase in interest expense for new debt for PO in Aug. 2020	+11
✓ Decrease in interest expense due to the difference in business days	(10)
✓ Decrease in amortization for new units issued for PO in Mar. 2018	(22)

■ Major Factors of Change for 28th Period (Compared to 28th Previous Forecast)

Operating Revenue	+50
✓ Increase in rental revenue due to internal growth (IIF Shinagawa ITSC etc.)	+87
✓ Decrease in utilities expense received	(10)

Operating Expense	+27
✓ Increase in lease expense (Facility management fee etc.)	+45
✓ Decrease in lease expense (Utilities expense paid)	(24)
✓ Increase in other operating expense (SG&A)	+6

Non-Operating Expense	(17)
✓ Increase in interest expense for new debt for PO in Aug. 2020	(15)

Note 1

Overall figures in this material are rounded down to the shown digits otherwise noted, and ratios and years are rounded off to one decimal place. Thus an aggregate of such figures may not coincide with the total of each item.

- P.4 (Note 1) Due to the 2-for-1 investment unit split implemented in January 1, 2015 and the 4-for-1 investment unit split implemented in February 1, 2018, the figures for DPU and NAV per unit from the period ended June 2015(16th period) up to the period ended in July 2017(20th period) are divided by 4 and rounded down to the nearest unit for each period. The figures for DPU and NAV per unit before the period ended December 2014(15th period) are divided by 8 and rounded down to the nearest unit for each period.
(Note 2) The fiscal period-ends have been changed from June and December to January and July beginning January 2017.
- P.6 (Note 1) NOI yield = NOI / Acquisition price The same shall apply hereinafter.

$$\text{NOI yield after depreciation} = (\text{NOI} - \text{depreciation}^*) \div \text{Acquisition price}$$
 The same shall apply hereinafter.
 * Depreciation is calculated based on the straight line method according to durable years
 (Note 2) LTV based on book value = Total interest-bearing debt / Total assets The same shall apply hereinafter.
 (Note 3) LTV based on appraisal value = Total interest-bearing debt / (Total assets + unrealized gains) The same shall apply hereinafter.
 (Note 4) Averaged Interest rate is represented by the weighted average of interest rates applied to the respective interest-bearing debts each time. The same shall apply hereinafter.
 (Note 5) "DPU (After adjustment of property-related taxes and estimated temporary revenue loss)" refers to distribution per unit calculated by assuming that fixed asset tax, city planning tax and depreciable asset tax included in acquisition cost are expensed in each calculation period and that the total rental income of the properties with possibility of tenant replacement in zero conservatively. The same shall apply hereinafter.
 (Note 6) NAV per unit = NAV / number of investment units issued and outstanding as of the end of most recent fiscal period.
 "NAV" is the net difference between assets and liabilities when the value of real estate-related assets is evaluated based on the appraisal value (or investigation value) as calculated by the following formula.

$$\text{NAV} = \text{Total equity}^* + (\text{appraisal value of real estate-related assets at end of period (or investigation value)} - \text{Book value of real estate-related assets at end of period}^*)$$
 *The total equity and the book value of real estate-related assets at the end of the fiscal year are based on the amount on the balance sheet as of the end of the most recent fiscal year.
- P.11 (Note) Created by Asset Manager based on data from CBRE K.K.
- P.16 (Note 1) The figure used for the calculation of NOI is the net operating income for the first year under the DCF method as described in the real estate appraisal report upon acquisition for each of the acquisitions. If special circumstances are expected in the first year, the second or later year net revenue is used.
(Note 2) As for "Development pipeline", IIF has not decided to redevelop IIF Atsugi Logistics Center III and IIF Narashino Logistics Center I & II and to acquire these properties after redevelopments as of today. IIF has decided to construct and acquire the floor expansion of IIF Atsugi Manufacturing Center as of March 17, 2021. The same shall apply hereinafter.
- P.18 (Note 1) Demolition cost and development cost are estimate figures based on the project as of today. Retirement cost is book value of the building as of the end of January 2021 (27th fiscal period).
 (Note 2) Floor area (estimate) after redevelopment is a reference figure based on the redevelopment project as of today. It may differ from the actual floor area after the completion due to the change of development project etc..
 (Note 3) Anticipated acquisition price after redevelopment is a reference figure derived from the total amount of the anticipated acquisition price (the sum of construction cost, design fee, and CM fee) of building related to the redevelopment project and the acquisition price of the land already acquired. It may differ from the actual acquisition price because the redevelopment has not commenced yet as of today.
 (Note 4) The appraisal value before redevelopment is the figure based on the appraisal report as of January 31, 2021. The unrealized gain ratio is calculated based on the difference the appraisal value before the redevelopment and the book value as of the end of January 2021 (27th fiscal period).
 (Note 5) NOI per annum before redevelopment is total amount of the actual NOI for the 26th fiscal period ended July 2020 and for the 27th fiscal period ended January 2021. NOI per annum after redevelopment is calculated based on the redevelopment project. There is no assurance that such figure may realize. It may differ from the actual NOI per annum after the redevelopment due to the change of development project etc..

$$\text{NOI Yield} = \text{NOI}^* / (\text{Anticipated}) \text{ acquisition price}$$

$$\text{NOI Yield after depreciation} = (\text{NOI}^* - \text{depreciation}^{**}) / (\text{Anticipated}) \text{ acquisition price}$$
 *NOI before the redevelopment project is total amount of the actual NOI for the 26th fiscal period ended July 2020 and for the 27th fiscal period ended January 2021. NOI after the redevelopment project is estimate after completion based on the redevelopment project. There is no assurance that such figure may realize because the NOI yield after the redevelopment is estimate based on the redevelopment project.
 ** Depreciation before redevelopment is total amount of actual depreciation for the 26th fiscal period ended July 2020 and for the 27th fiscal period ended January 2021. Depreciation after redevelopment is calculated based on the straight line method according to durable years.
 (Note 6) As of the end of January 2021.
- P.20 (Note) Floor area (estimate) after development is reference figure based on the redevelopment project as of today. It may differ from the actual floor area of redevelopment building due to the change of redevelopment project.
- P.21 (Note 1) The anticipated acquisition price of the Expansion is derived from the anticipated acquisition price (the sum of construction cost, design fee, and CM fee) related to the Expansion Project. The (anticipated) acquisition price of the existing plus expansion is reference figure based on the acquisition price of the Existing plus the anticipated acquisition price of the Expansion. As of today, a construction agreement of the Extension has not been executed and construction has not commenced yet, thus, the actual figure for the anticipated acquisition price may differ.
 (Note 2) The appraisal value of the Existing is based on the appraisal report as of January 31, 2021. The appraisal value of the Existing plus the Expansion is based on the price survey report based on the Expansion Project as of March 1st, 2021. The appraisal value of the Expansion is the difference between the appraisal value of the Existing and the Existing plus the Expansion.
 (Note 3) The NOI and the NOI yield of the Existing are calculated by using the net operating income for the first year under the DCF method as described in the appraisal report as of January 31, 2021. The NOI and the NOI yield of the Existing plus the Expansion are calculated by using the net operating income for the first fiscal year under the DCF method indicated in the price survey report based upon the redevelopment plan as March 1st, 2021. The NOI of the Expansion is the difference between the NOI of the Existing Building and the "Existing Building plus Expansion".

Note 2

- P.26 (Note 1) NOI yield is calculated by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of January 31, 2021.
(Note 2) The figure used for the calculation of NOI yield after depreciation is the actual depreciation in the 27th fiscal period annualized by multiplying by 2.
(Note 3) $\text{NOI yield after depreciation (after adjustment by optimal payable distribution)} = (\text{NOI after depreciation} + \text{depreciation per annum} \times 30\%) / \text{Acquisition price}$.
(Note 4) Funds for optimal payable distribution and optimal payable distribution per unit are only references based on listed three properties as funding sources. There is no assurance that such figures may realize.
- P.28 (Note 1) The appraisal value as of new acquisition is based on the appraisal report as of December 1, 2016. The appraisal value after value - up initiatives is based on the price survey report as of January 31, 2021.
(Note 2) The NOI yield and the NOI yield after depreciation are calculated by using the net operating income for the first year under the DCF method indicated in the appraisal report as of January 31, 2021 multiplied by 60% ownership ratio. The NOI yield and the NOI yield after depreciation after value - up initiatives are calculated by using the net operating income for the first fiscal year under the DCF method indicated in the price survey report as of January 31, 2021.
- P.30 (Note) “Upside - only” means the rent will be automatically raised can only negotiate for raising rent regarding the rent. “Flat” means the rent will not be revised until 10 years has passed or until the lease expiration date from the acquisition date, or the rent will not be revised in general. “Negotiation based revision” means the contract type other than both “Upside - only” and “ Flat” above, and the rent will be negotiable.
- P.36 (Note) The inclusion of IIF in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of IIF by MSCI or any of its affiliates. The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Think bold today for a brighter tomorrow.



Industrial & Infrastructure Fund Investment Corporation

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors
- This material is prepared based on Japanese accounting principles unless otherwise noted
- This material is to be used for analyzing the financial results of IIF, and is not prepared for the purpose of soliciting the acquisition of IIF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment
- IIF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of IIF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of IIF

Asset Management Company : Mitsubishi Corp.- UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer)

Number 403, Member of The Investment Trusts Association, Japan)