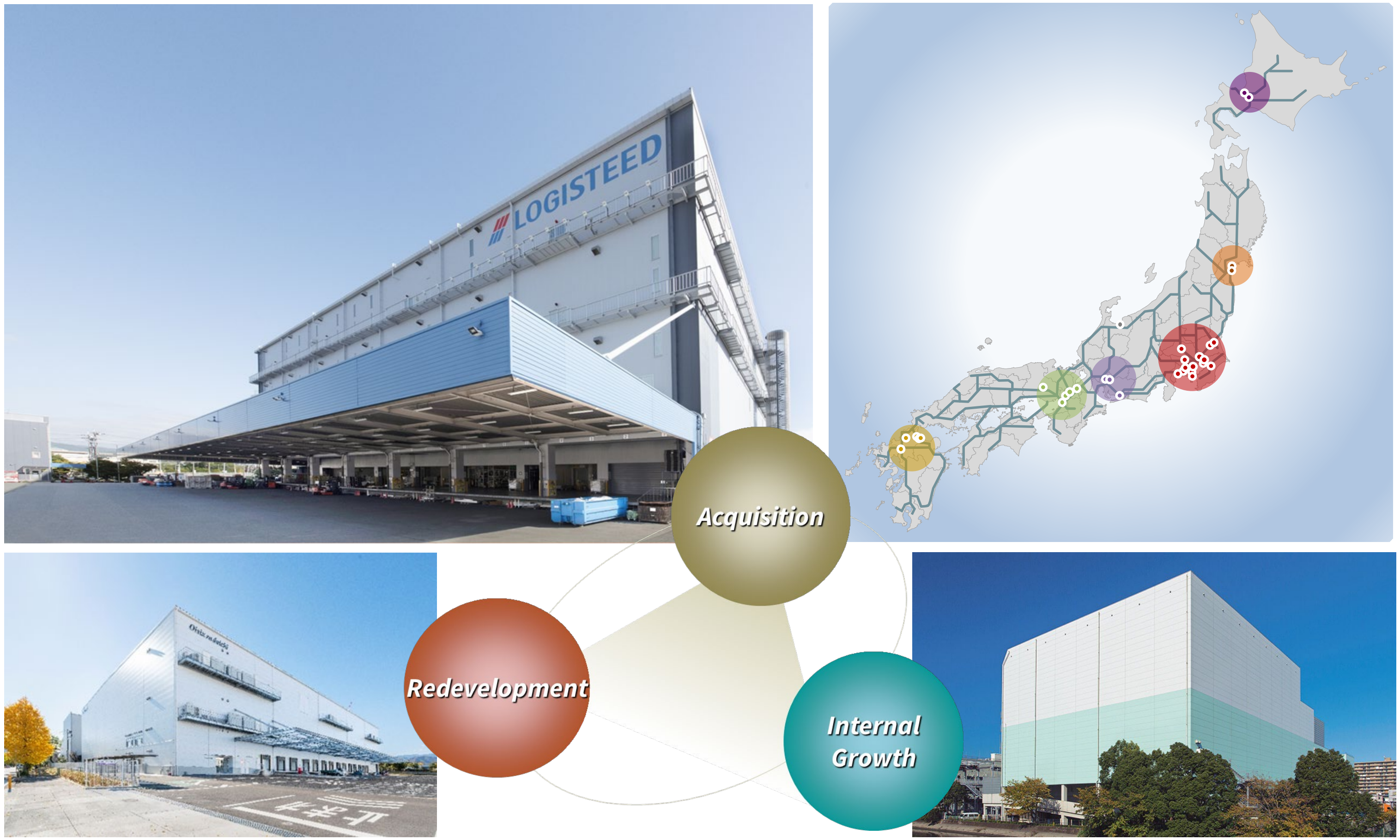


Investor Presentation for the Jan. 2024 (33rd) Period

Securities Code：3249

Industrial & Infrastructure Fund Investment Corporation

Table of contents

1. Executive Summary

Entering New Growth Stage with AUM of approximately JPY 500 bn.

Key Points of 33rd FP

(1) Accelerated growth through promotion of CRE carve-out and implementation of public offering

(1) Track record of CRE carve-out projects

- Logistics facilities (JPY 210 bn. / 32 properties): main business bases of LOGISTEED
- Infrastructure facilities (JPY 28 bn. / 9 properties): main business bases of Central Tank Terminal (CTT)

(2) Public offering: Total acquisition price of JPY 124.8 bn. with trust beneficiary rights (JPY 108.2 bn.) and equity interest in silent partnership (JPY 16.6 bn.) .

Equity funding of JPY 48.7 bn. : Promote to expand the investor base through thoroughly small-lot sales to utilize the new program of Nippon Individual Savings Account (NISA)

(2) DPU is significantly higher than the initial forecast due to capital return of gains on sale of assets

- (Initial Forecast for 33rd FP.) 3,260 yen ⇒ (Actual Result for 33rd FP.) 3,434 yen (+5.3%)
- (Initial Forecast for 34th FP.) 3,225 yen ⇒ (Revised Forecast for 34th FP.) 3,390 yen (+5.1%)

(3) Steady improvement in earnings from existing properties

- New lease provision with CPI-Linked Rent: Portfolio acquired from LOGISTEED
- Rent increase from tenant replacement and contract renewal: IIF Kawaguchi LC, IIF Osaka Suminoe LC I, IIF Shonan HIP, etc.

Overview of the 12th Public Offering (1)

Achieved "Continuous Equity Growth" through the acquisition of profitable properties through CRE carve-outs

Asset

~ Steady growth by providing CRE solution proposals ~

New Acquisition 28properties JPY 108.2 bn.

Profitability	Average NOI yield 4.3%	Average NOI Yield after Depreciation 3.8%
Total unrealized gain/ Average ratio of unrealized gain	Total unrealized gain +JPY 11.3 bn.	Average Ratio of Unrealized gain +JPY 10.5%

IIF Musashimurayama LCII

IIF Osaka Ibaraki LC

IIF Sendai LC

Equity Interest in Silent Partnership JPY 16.6 bn.

Profitability	Anticipated Dividend Payout 6.7%
Underlying assets (4properties)	JPY 104.4 bn

Debt

~ Further enhancement of stability ~

New Debt Financing JPY 62.0 bn.

Weighted average Interest rate	0.85%
Weighted average borrowing period	7.0years
Long-term ratio / Fixed debt ratio	90.3% / 79.0%

Cash equivalent

Security deposits received and cash on hands
(including funds from sales)

Equity

~ Continuous growth of unitholders' value ~

Net Proceeds of the Offering JPY 48.7 bn.

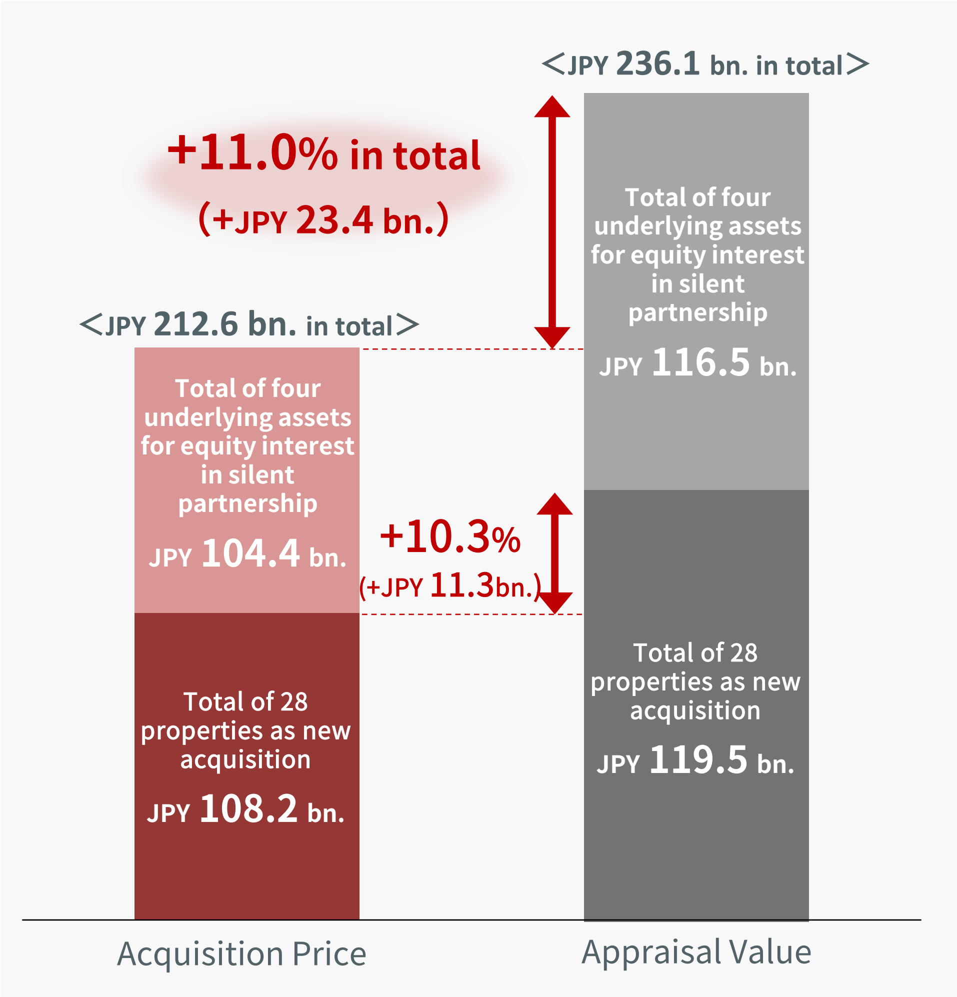
Stabilized DPU per unit	JPY 3,248 (+3.0%)
NAV per unit	JPY 136,239 (+0.5%)

※For the details of the footnote, please see page 37~38.

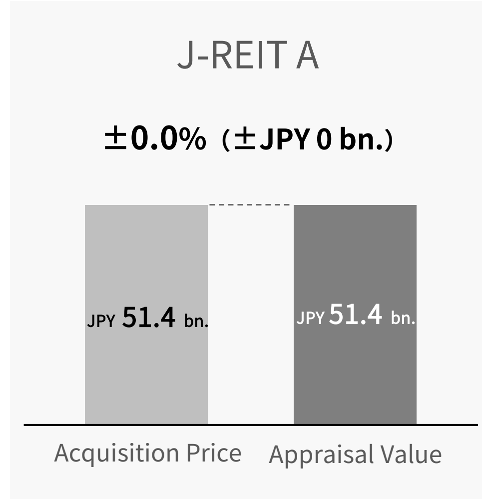
Overview of the 12th Public Offering (2)：Asset

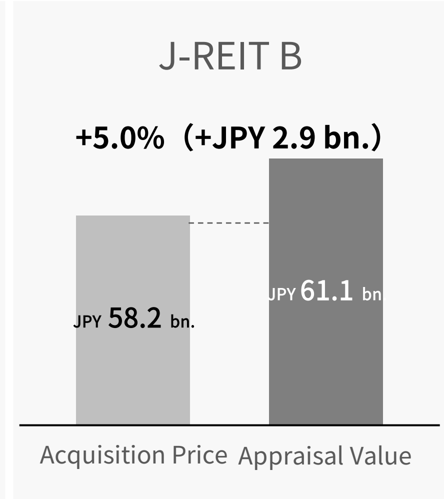
Acquired properties with high unrealized gain ratios through CRE carve-outs, contributing to NAV growth

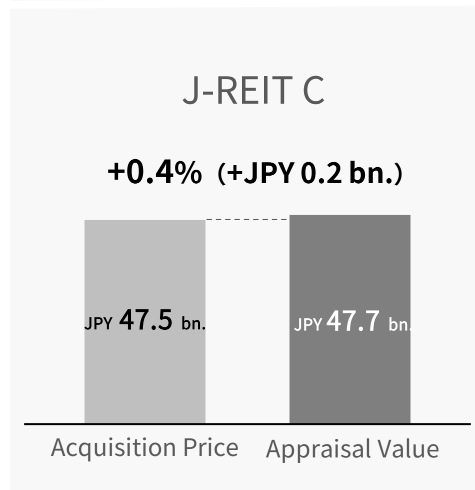
New acquisitions and underlying assets for equity interest in silent partnership of the 12th public offering

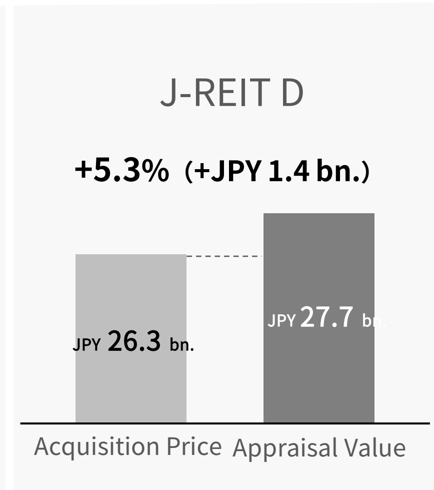


Properties acquired by other logistics J-REITs









※Above acquisition examples of other REITs are prepared by the Asset Manager based on information on acquisitions announced between January and December 2023.

※For the details of the footnote, please see page 37~38.

Overview of the 12th Public Offering (3) : Debt

Fixed borrowing costs at a lower level than initially expected.

Overview of New borrowings

Total borrowings	JPY 62.0 bn.
Average borrowing term	7.0 years
Average applicable interest rate	0.85%

Reflect determination of interest rate on February 27, 2024

Expect the following improvements of earnings as a result of the lower interest rate than initial projected interest rate assumed conservatively

Debt costs	-JPY 49.2 mn. per FP.
Impact on DPU	+JPY 19.4 per unit

The above earnings improvement will be used for "further financial stabilization (lengthening and fixing)" and "bringing forward repair plans", etc.

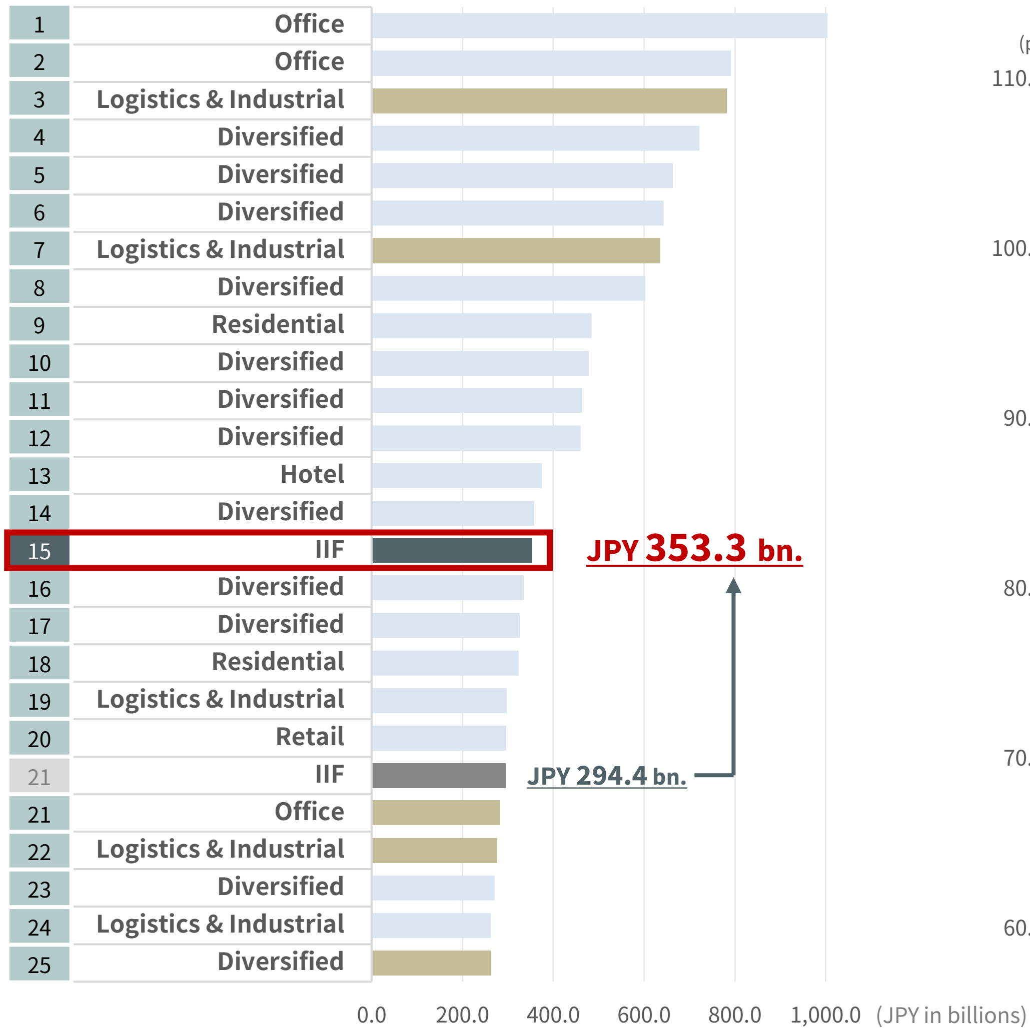
≪Reference≫ Yield on 10-year JGBs

※For the details of the footnote, please see page 37~38.

Overview of the 12th Public Offering (4) : Equity

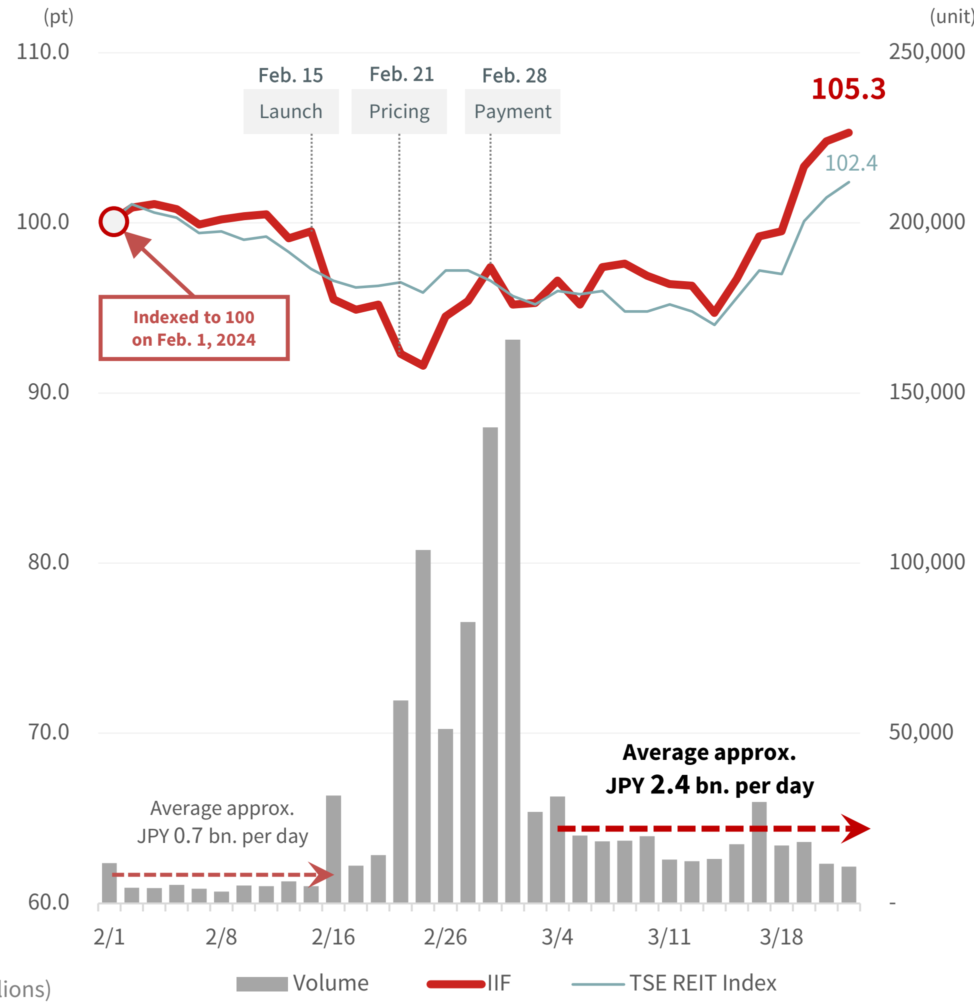
In addition to increase in market capitalization, daily liquidity has increased significantly

Top 25 J-REITs by market capitalization



※The market capitalization was calculated by multiplying the total number of units issued and outstanding (2,113,516 and 2,536,216 units) before and after the 12th public offering, using the unit price JPY 139,300 as of 22 March 2024.

Trends in unit prices and volume



※The average daily trading volume is calculated by averaging the total trading volume from February 1 to February 15, 2024, and from March 1 to March 22, 2024.

Continuous enhancement of unitholders' value and further reinforcement in stability

Key indices after the 12th public offering

		As of the end of July 2023 FP (32nd FP)	After the 12th PO
Asset	Number of properties	78 properties	106 properties
	Total Acquisition price	JPY 389,393 mn.	JPY 494,524 mn.
	Total Appraisal value	JPY 484,557 mn.	JPY 597,679 mn.
Debt	LTV (based on Book value)	49.0%	51.0%
	LTV (based on Appraisal value)	40.0%	42.7%
Equity	NAV per unit	JPY 135,613	JPY 136,239 (+0.5%)
	Stabilized DPU per unit	JPY 3,153	JPY 3,248 (+3.0%)

- Addition of 28 acquisitions
  *Regarding the number of properties, total acquisition price and total appraisal value, the calculations include 3 properties acquired during the 33rd FP
- Completion of three Dispositions

※For the details of the footnote, please see page 37~38.

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

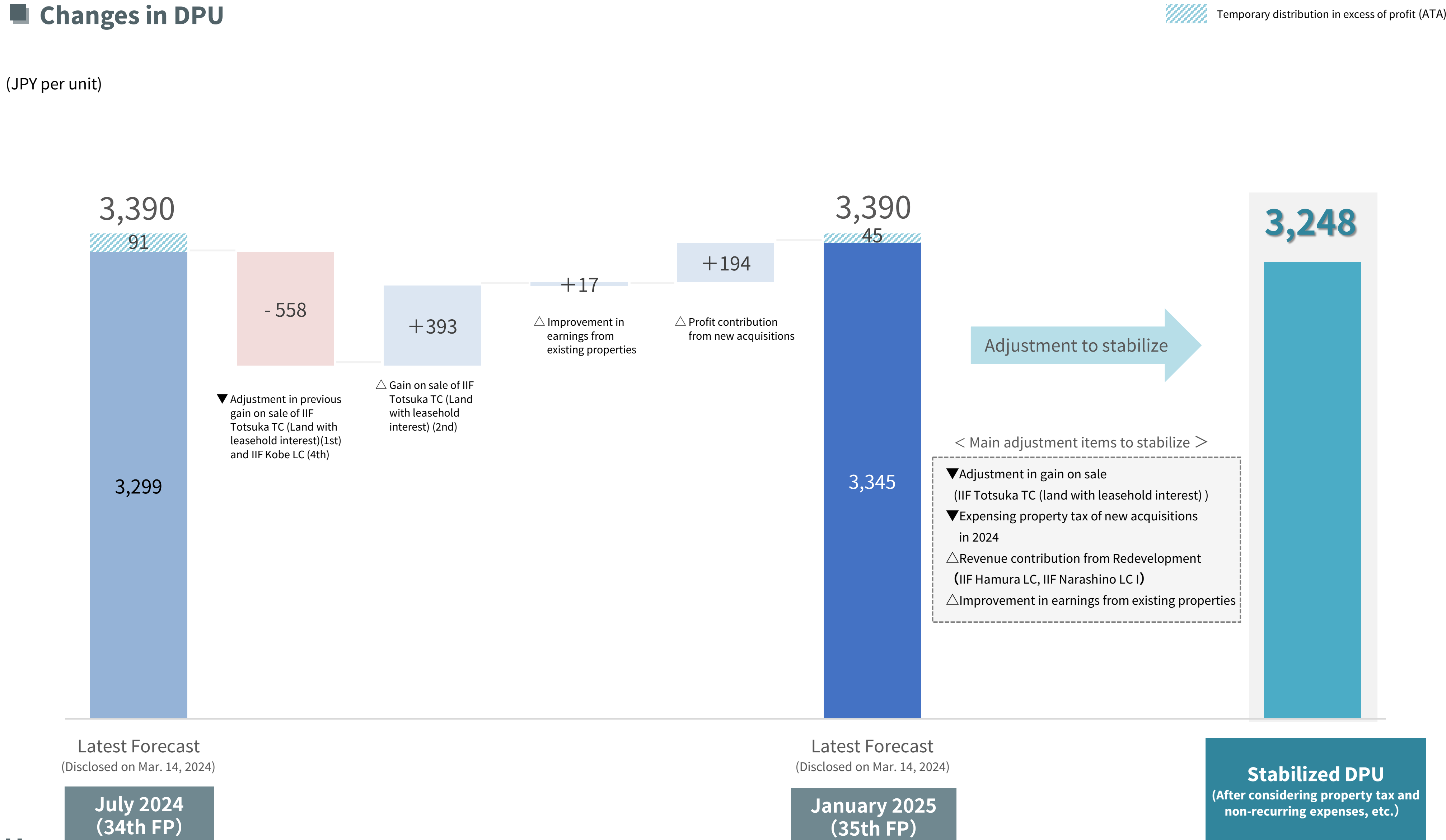
Changes in DPU for the 33rd fiscal period and the 34th fiscal period

Changes in DPU

※For more information on the Allowance for Temporary Allowance Distribution (ATA), please see page 32~33.

Changes in DPU from the 34th fiscal period to the 35th fiscal period and stabilized DPU

Changes in DPU



※For the details of the footnote, please see page 37~38.

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.

Acquisition opportunities have increased significantly with the addition of CRE Carve-outs deals to the CRE/PRE strategy

Seeking Accelerated AUM Growth via Evolution of CRE/PRE Strategy

IIF's Investment Strategy

(1) CRE Carve-outs

(2) Development Initiatives

(3) Acquiring Various Types of Assets

(4) Sales & Leasebacks

Continue to promote CRE Carve-outs capturing the asset-light trend

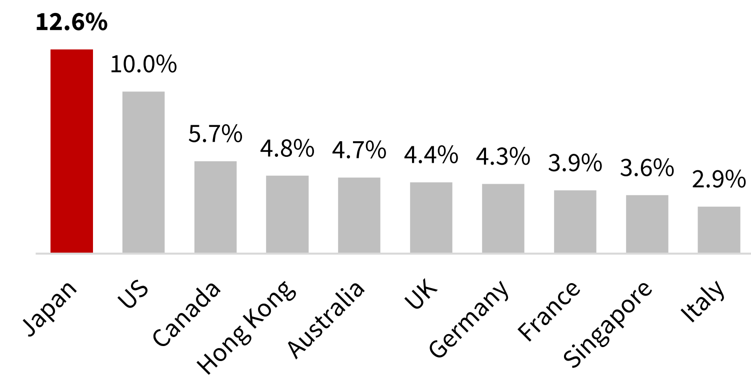
IIF	
Unitholder Value Enhancement	• Medium-to-long term possession and value maximization • Bilateral transactions avoiding competitive auctions

Acquisitions in Collaboration with KKR

Japanese Corporates	
Strengthening Corporate Governance	• Improve profitability by optimizing capital deployment • Enhance competitive edge by allocating the proceeds to strategic investments

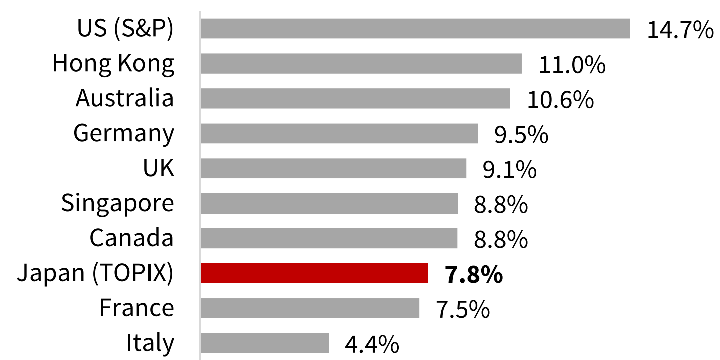
High Real Estate Holdings and Low Profitability at Japanese Corporates

■Ratio of Real Estate Assets to Total Assets for Corporates



(Source) Prepared by the Asset Manager based on data from FactSet

■ROE of Developed Countries and areas



(Source) Prepared by the Asset Manager based on data from Bloomberg

※For the details of the footnote, please see page 37~38.

(Reference) Recent major acquisitions

Continue to acquire diverse asset classes through CRE/PRE strategies and CRE carve-out deals

	2022	2023	2024
Logistics	Yokkaichi LC (New Bld.) 	Shiga Ryuoh LC  Omihachiman LC 	Musashimurayama LCII, etc Total 28 properties 
Manufacturing・R & D	Iruma MC (Land with leasehold interest)  Tochigi Moka MC (Land with leasehold interest) 	Hanno MC (Land with leasehold interest)  Ota MC 	
Infrastructure		Kawasaki Port TT (Land with leasehold interest)  Shizuoka Oigawa Port TT (Land with leasehold interest)  Kitakyushu Moji Port TT (Land with leasehold interest) 	

Expand pipeline with a focus on CRE carve-outs and Redevelopment projects

Pipeline Status

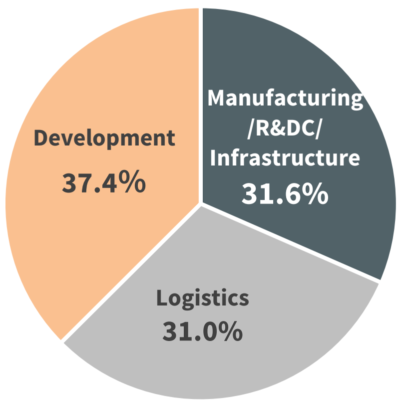
Total number of properties under consideration	**40** properties
Total value of properties under consideration	JPY **401.2** bn.

Number of properties currently under detailed consideration

17 properties

Breakdown of deals under detailed consideration

By Asset class (based on price)



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

Cases of properties for acquiring preferential negotiation rights

Central Tank Terminal

Six main business locations through sale and leaseback

Aggregate of Preferential Negotiation Price	Aggregate of Appraisal Value	Aggregate of Difference between Preferential Negotiation Price and Appraisal Value (Ratio of Difference)
JPY**20,337**mn	JPY**21,381**mn	JPY**1,044**mn (**+5.1**%)

Kawasaki Terminal South Area (Land with leasehold interest)

Yokohama Terminal (Land with leasehold interest)

LOGISTEED

Newly logistics center to be developed by a tenant

Preferential Negotiation Price	Scheduled Date of Completion	Anticipated Floor-area
JPY**9,240**mn	November 2024	33,759.84㎡

(Tentative) IIF Hyogo Sanda Logistics Center II

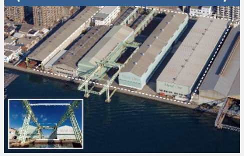
(Note) IIF has not decided to acquire the properties with preferential negotiation rights as of today.

Decided to Sell Properties Worth Approx. JPY 43.0 bn. in the Last Three Years, and Distributing Large Realized Gain to Unitholders

IIF's Track Record in Disposition of Properties

2021

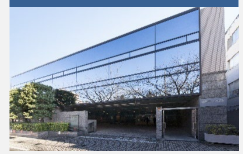
IIF Hiroshima MC
(Land with leasehold interest)



IIF Tsukuba MC
(Land with leasehold interest)

IIF Zama ITSC

IIF Shinagawa ITSC



2022

IIF Osaka Nanko ITSC

IIF Inzai LC

2023

IIF Kobe LC(E1)

2024

IIF Totsuka TC
(Land with leasehold interest)

IIF Yokohama Tsuzuki R&DC

Total number of (Anticipated) Disposed Properties	9 properties
Aggregate of Book Value (As of disposition decision)	JPY 33,968 mn
Aggregate of (Anticipated) Disposition Price	JPY 42,875 mn
Difference between Aggregate of (Anticipated) Disposition Price and Aggregate of Book Value	JPY 8,906 mn

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).

Promoting redevelopment projects while controlling construction costs

Development projects worth approximately JPY 54 billion (based on expected acquisition price) are underway.

2023 | 2024 | 2025 | 2026 | 2027

(Tentative) IIF Hyogo Sanda Logistics Center II

External development

Preferential Negotiation Price	JPY **9,240** mn.
Anticipated Floor-area	**33,759.84**㎡

Nov. 2023 Start of construction → **Nov. 2024 Completion (scheduled)**

IIF Hamura LC

On-Book

Amount of investment	JPY **2,589** mn.
Anticipated acquisition price / Appraisal value	JPY **3,155** mn. / JPY **3,790** mn.
Anticipated Floor-area	**14,001.64**㎡

Nov. 2023 Start of construction → **Feb. 2025 Completion (scheduled)**

IIF Narashino LC I (Land with leasehold interest)

Off-Balance

Amount of investment	JPY **5,126** mn.
Anticipated acquisition price / Appraisal value	JPY **6,371** mn. / JPY **8,610** mn.
Anticipated Floor-area	**27,614.58**㎡

Nov. 2023 Start of construction → **Feb. 2025 Completion (scheduled)**

IIF Narashino LC II

Off-Balance

Amount of investment	Approx. JPY **32,000** mn.
Anticipated acquisition price/ Appraisal value	Approx. JPY **35,000** mn. / JPY **43,100** mn.
Anticipated Floor-area	**133,623.21**㎡

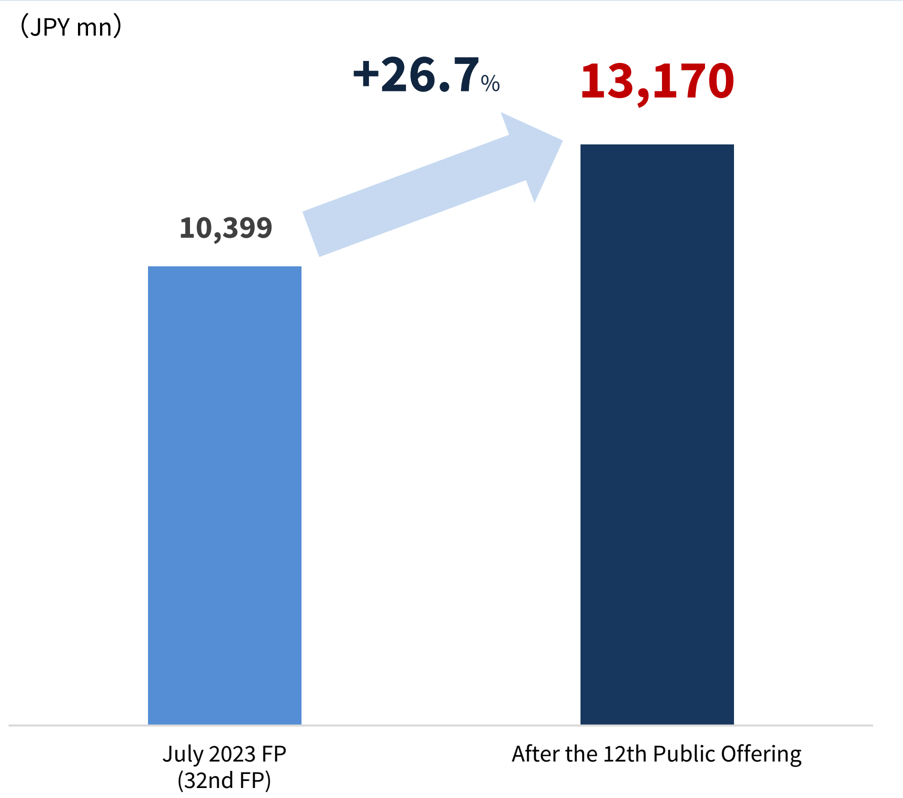
Mar. 2025 Start of construction (planned) → **Feb. 2027 Completion (scheduled)**

※The amount of investment, anticipated acquisition price and appraisal value of each property in a development project are based on the integrated figures of the existing land and the building after completion.

Introduction of CPI-linked rents aimed at strengthening inflation resistance.

Inflation resistance and medium-term growth potential through introduction of CPI-linked rents

NOI expected to increase 26.7% after the 12th public offering



Rent Revision for the New Acquisitions

Leases with CPI-Linked Rent Revision *

100.0%

Simulated Rent Revenue Increase from Leases with CPI-Linked Rent Revisions

Average CPI Increase	Total Potential Rent Revenue Increase (per fiscal period)	Total Potential Rent Revenue Increase / Anticipated Number of Units Outstanding
+0.5%/year	JPY 178 mn	JPY 70 /unit
+1.0%/year	JPY 232 mn	JPY 91 /unit
+1.5%/year	JPY 288 mn	JPY 113 /unit

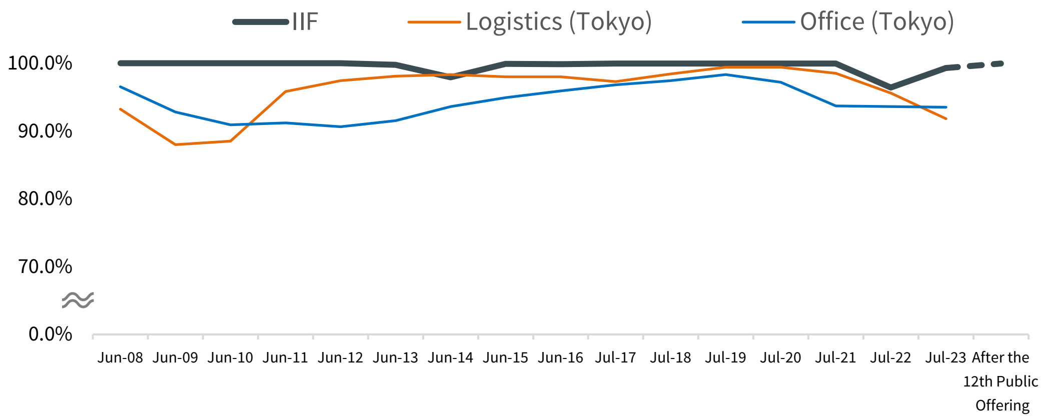
*Excludes 3 leased lands where the tenant is the master lessee pursuant to the terms of the lease.

※For the details of the footnote, please see page 37~38.

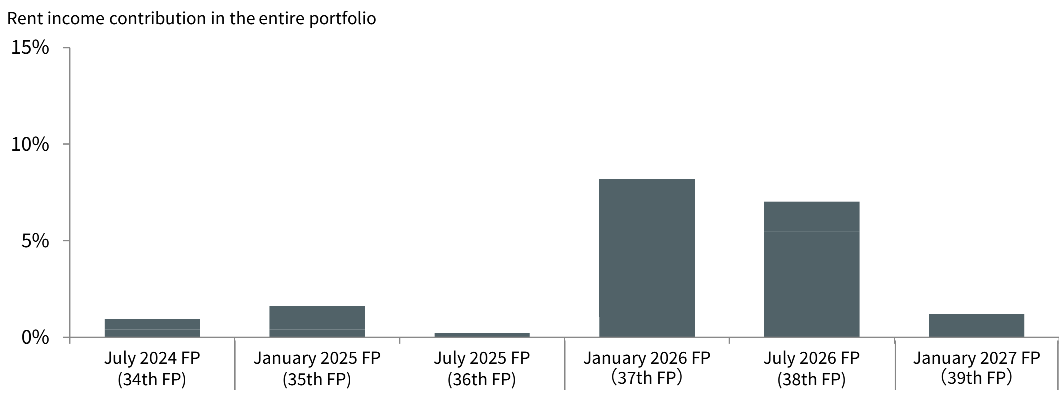
Occupancy Rates and the Period of Contract Expiration for Owned Properties

Pursuing Rent Increase at Lease Contract Expiration while Retaining High Occupancy Rate

IIF's High Occupancy Rate (June 2008 ~ After the 12 public offering)

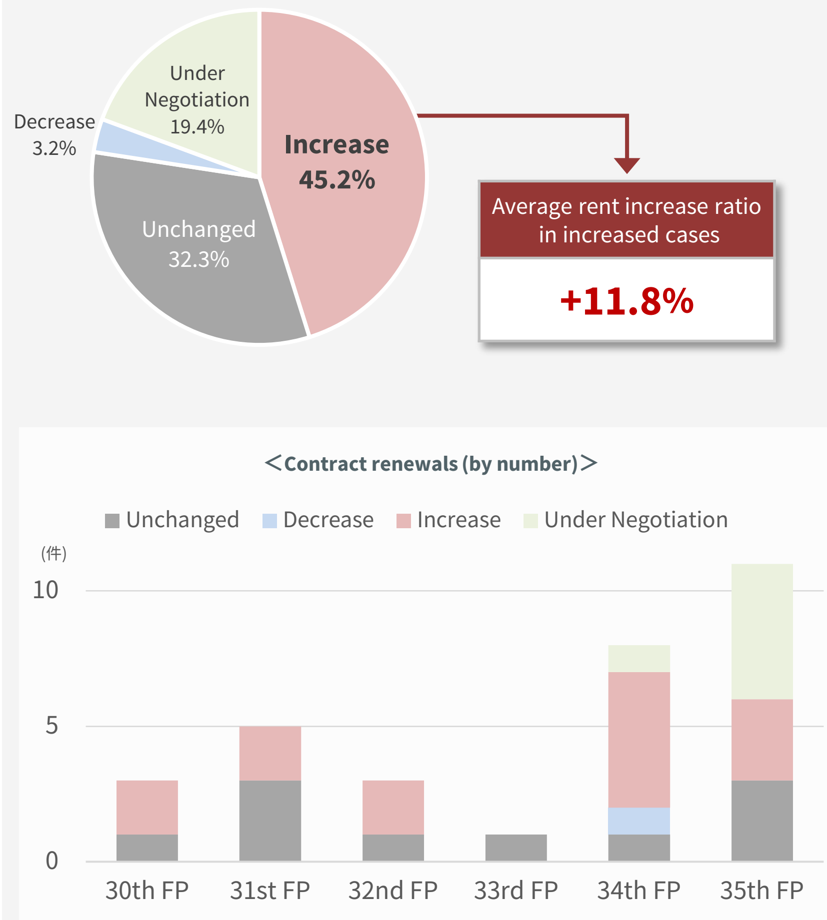


Distribution of Lease Contracts Expiring within the Next three Years (Annual Rent Basis) (After 12th Public Offering)



Rent revisions of lease contract expired recently

(A total of 31 contracts expiring from the 30th FP (ending 31 July 2022) to the 35th FP (ending 31 January 2025))



※For the details of the footnote, please see page 37~38.

Steady progress on measures to improve profitability and stability in existing properties

Examples of value enhancement in existing properties since the acquisition

Seek to Steadily Achieve Rent Increases at Contract Renewal, etc.

Property Name	Actual NOI Trend (JPY mn per annual)		NOI Increase (Ratio)
	(1) As of Acquisition	(2) After Contract Renewal	
IIF Kawaguchi LC  Acquired in Dec. 2012, Managed for 11.2 years	120	269	+149 (+123.0%)
IIF Kashiwa LC  Acquired in Feb. 2013, Managed for 11.1 years	127	171	+44 (+34.4%)
IIF Higashi Osaka LC  Acquired in Apr. 2013, Managed for 10.9 years	164	198	+34 (+20.8%)
IIF Osaka Suminoe LCI  Acquired in Mar. 2017 & Mar. 2018 (add.), Managed for 7.0 years	506	601	+95 (+18.8%)

Property Name	Rent Trend (JPY mn. per annual)		Rent Increase (Ratio)
	(1) Former tenant	(2) New tenant	
IIF Shonan HIP  Acquired in Sep. 2020 & Aug. 2021 (add.), Managed for 3.5 years	100	115	+15 (+15.4%)

※Re-tenant in plots contracted directly with IIF

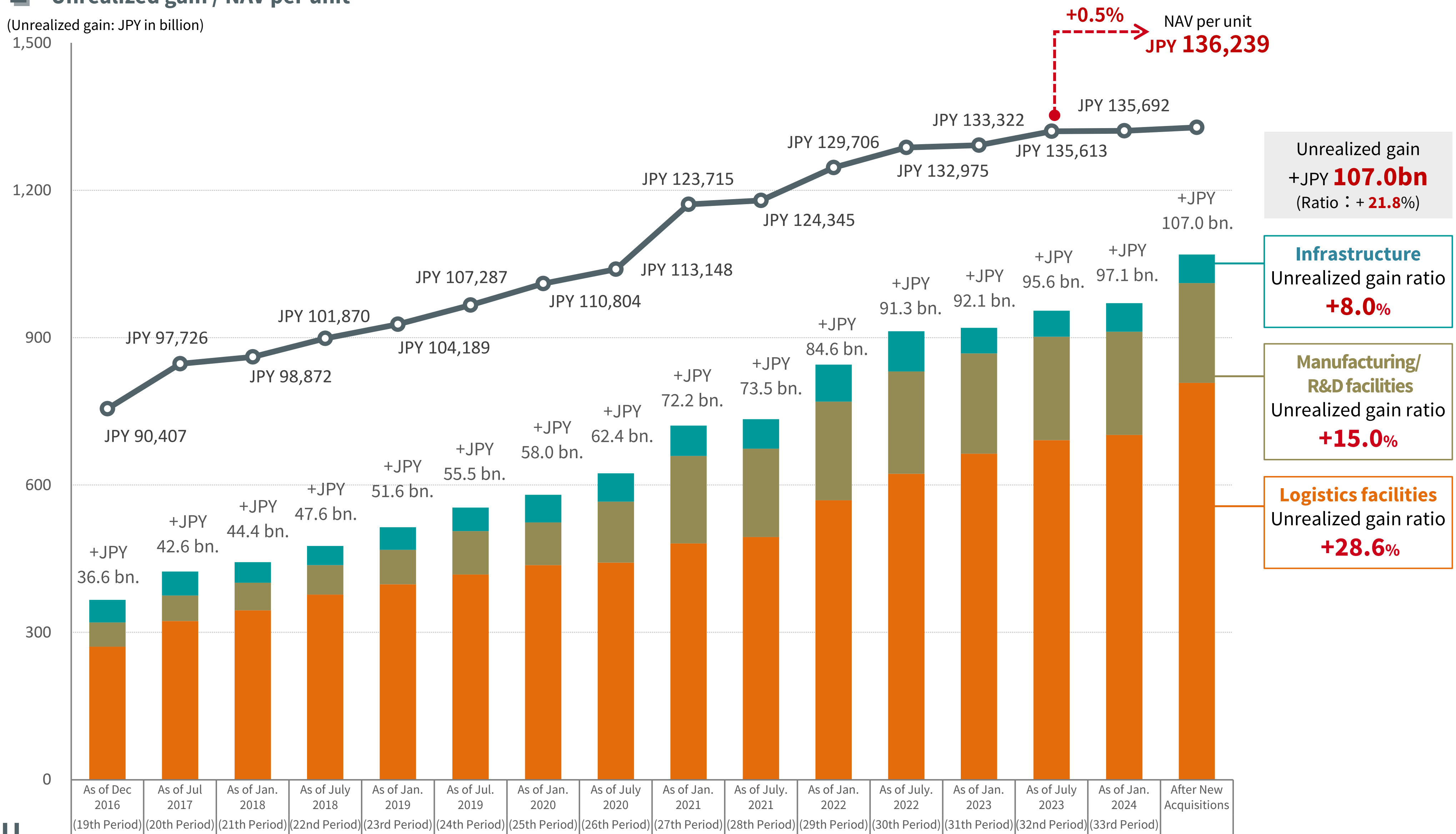
※For the details of the footnote, please see page 37~38.

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.

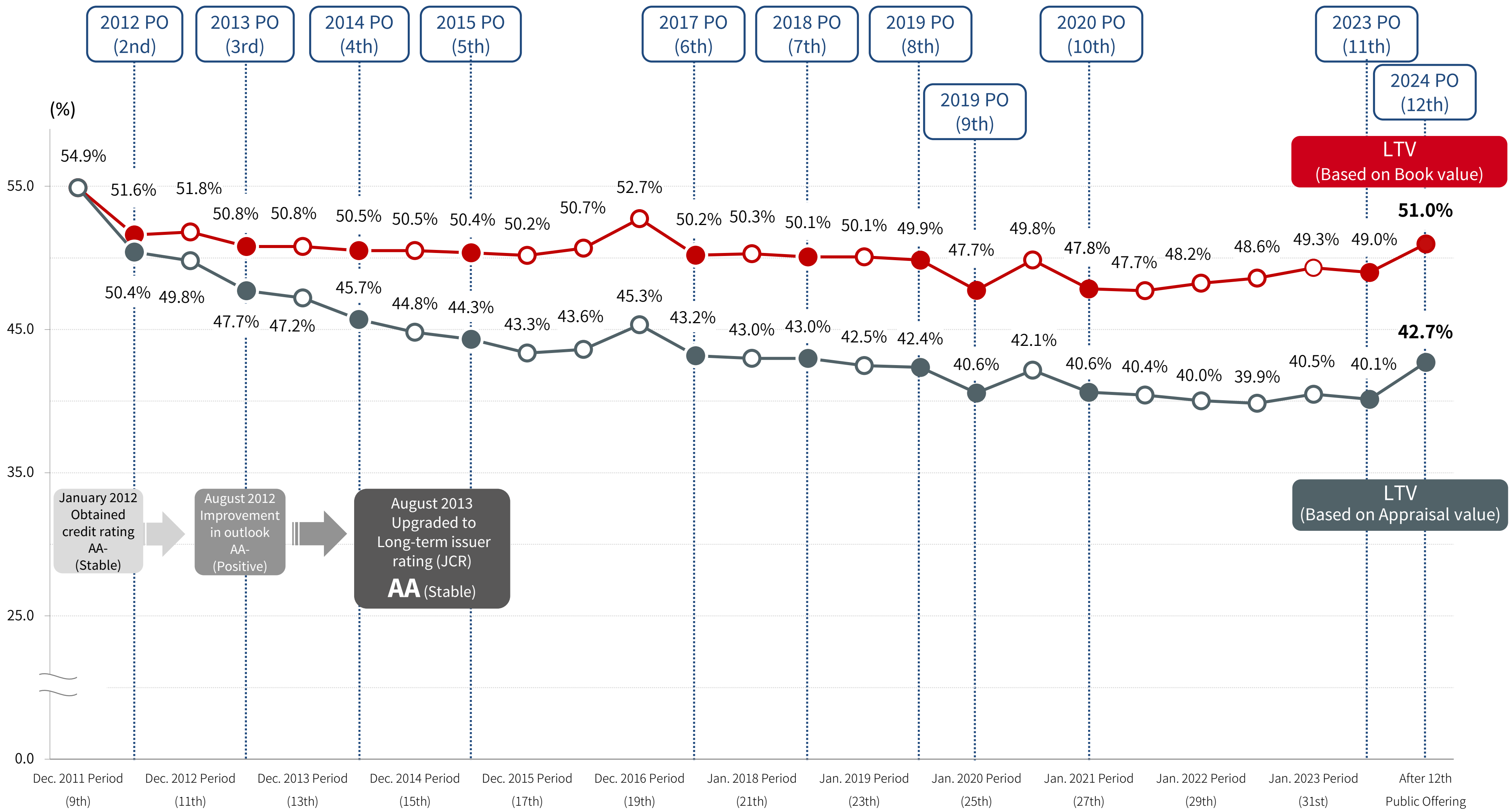
Unrealized gain increased to JPY 107.0 billion (unrealized gain ratio +21.8%)

Unrealized gain / NAV per unit



LTV management through continuous public offerings

Historical LTV



※For the details of the footnote, please see page 37~38.

Control interest costs while diversifying repayment maturity

Managing borrowing costs by staggering repayment dates and years, even in a phase of rising interest rate.

＜Status of Finance＞
(From Aug. 2023 to Mar. 2024)

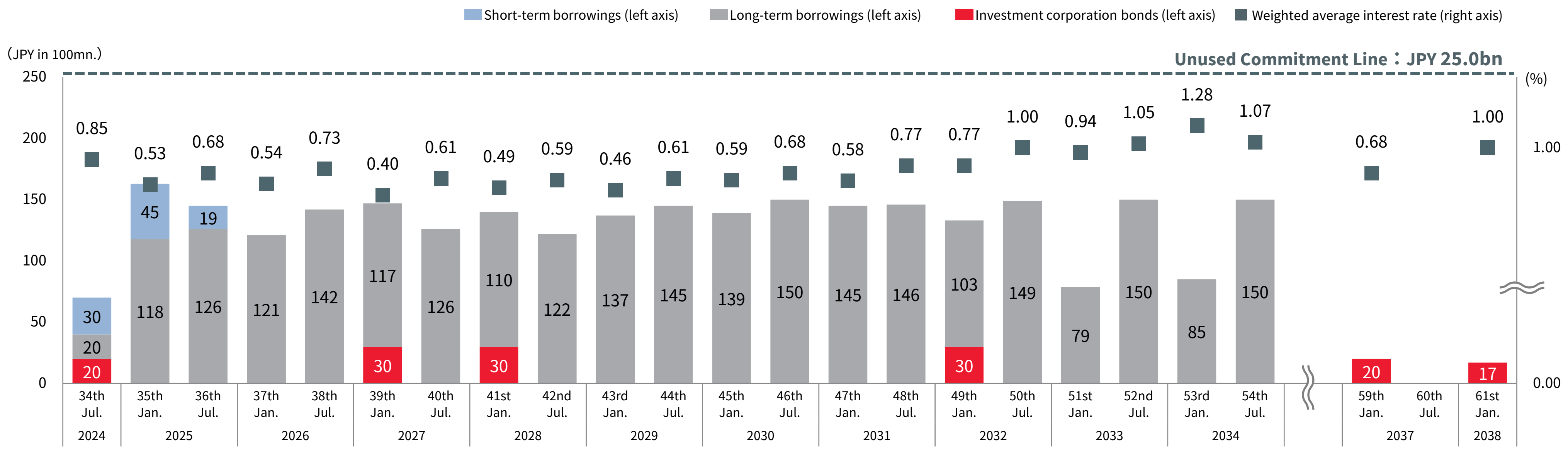
Total repayment	
Amount	JPY 19.0 bn.
Average borrowing period	8.0years
Average interest rate	1.07%

Total financing	
Amount	JPY 89.0 bn.
Average borrowing period	7.1years
Average interest rate	0.91% (-0.16pt.)

＜Key Indices＞

	July 2023 (32nd FP)	End of March 31, 2024
Issuer's long-term credit rating (JCR)	AA(stable)	AA(stable)
LTV (Based on Book value)	49.0%	51.0%
LTV (Based on Appraisal value)	40.1%	42.7%
Average borrowing period	9.0years	8.5years
Average interest rate	0.66%	0.71% (+0.05pt.)

＜Maturity ladder and weighted average interest rate（as of March 31, 2024）＞



※For the details of the footnote, please see page 37~38.

5. Sustainability Initiatives

Recent Sustainability Initiatives

Publish Sustainability Report 2024

KJRM 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 URL below for the detail of Sustainability Report
URL: https://iif-reit_sustainability.disclosure.site/en/themes/76/

Participation in CDP Climate Change Program in 2023

- Received **"A"** score, the highest "Leadership" level and listed on the A-list for the first time
- Named as **"Supplier Engagement Leader"**, the highest recognition

Endorsement of Initiatives to Promote Biodiversity

Endorsement of and participation in 2 new initiatives to promote biodiversity

■ Japan Business Initiative for Biodiversity (JBIB)

JBIB was established in 2008, with an aim to produce results that cannot be achieved only with sole corporate activities, and to contribute to preservation of biodiversity within Japan and abroad, through cooperative researches among companies covering a wide scope of business sectors

■ 30by30 Alliance for Biodiversity

30by30 Alliance, led by Ministry of the Environment, is an alliance among governmental agencies, companies and NPOs, etc. for the purpose of promoting actions and making such actions and initiatives noticed to achieve the goal of conserving and protecting at least 30% of the land and sea as healthy ecosystems, with an aim to curb loss in and restore biodiversity by 2030

Proactive acquisition of external certification

Acquired SBTi (Science Based Targets initiative) Validation

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Acquired **Validation from SBTi**
based on new GHG reduction targets in Feb. 2023

New GHG reduction targets

- **Reduce absolute Scope 1+2 emissions by 42% by 2030 compared with 2021**
- **Aim for net zero emissions of GHG across the entire value chain by 2050**

BUSINESS AMBITION FOR 1.5°C

GRESB Real Estate Assessment

GRESB ★★★★☆ 2023

Designated as "**Four Stars** "
Rated as "A" in the GRESB Public Disclosure Level evaluation for 6 consecutive years

"Eco-Action 21"

私たちは、地域と地球の環境に配慮した事業者です
環境省 エコアクション21 認証番号 0013762

Completed certification and registration procedures of Eco-Action 21, the environment management system formulated by Ministry of the Environment, in January 2023

Certification for CASBEE® for Real Estate

25 Properties have received the certification as of January 31, 2024

建築環境総合性能評価認証 ★★★★ CASBEE® 不動産 2023 (株)ERIソリューション

IIF Shinonome LC

IIF Fukuoka Hakozaki LC I

BELS Certification

22 Properties have received the certification as of January 31, 2024

BELS

IIF Hyogo Tatsuno LC

IIF Sendai Taiwa LC

DBJ Green Building Certification

5 Properties have received the certification as of January 31, 2024

DBJ Green Building

DBJ Green Building Certified Properties	
IIF Hiroshima LC	IIF Kobe LC
IIF Tosu LC	IIF Koshigaya LC
IIF Noda LC	

ResReal Real Estate Resilience Certification

2 Properties have received the certification as of January 31, 2024 (Flood Damage Edition)

ResReal

Flood ★★★ 2023 SILVER

IIF Shinagawa DC

IIF Kawasaki SC

Initiatives Engaged by KJRM Group

■ Principles for Responsible Investment (PRI)

Principle to incorporate ESG perspectives into the investment decision-making process aiming to improve long-term achievements received for beneficiaries

Signed in August 2013 (1st among J-REIT asset managers)

Signatory of:

PRI Principles for Responsible Investment

■ The Task Force on Climate-related Financial Disclosures (TCFD)

Suggestion on disclosure of business risks and opportunities caused by medium to long-term climate change, their impact on financial status and specific measures and strategies to address them

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Declared support in August 2019 (1st among J-REIT asset managers)

■ Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Principles for action for financial institutions who are willing to assume responsibility and roles to shape a sustainable society suggested by the Ministry of Environment

Signed in June 2013

PFA21 Principles for Financial Action for the 21st Century

■ United Nations Global Compact (UNGC)(※)

WE SUPPORT UN GLOBAL COMPACT

Voluntary initiatives to participate in the global framework to realize sustainable growth centered around the 10 principles in the 4 sections: "Human Rights", "Labor", "Environment" and "Anti-Corruption"

Signed in October 2016 (1st among J-REIT asset managers)

※ The Asset Manager has agreed upon the Corporate Sustainability Initiative set by the United Nations Global Compact as well as the principles regarding "Human Rights", "Labor", "Environment" and "Anti-Corruption" since 2016.

■ Japan Climate Initiative (JCI)

Initiatives joined by companies, municipalities, associations and NGOs in support of JCI's declaration "Joining the front line of the global push for decarbonization from Japan"

Participated in May 2020

JAPAN CLIMATE INITIATIVE

■ Endorsement of Advance

Signed as an endorser to "Advance", established by PRI. The initiative aims to make positive impacts on workers, communities and society by investors taking action on human rights and social issues.

Signed in December 2022

※For the detail of each initiative, please see KJRM Group home page (https://kjrm-sustainability.disclosure.site/en/themes/85/) and Sustainability Report （https://iif-reit_sustainability.disclosure.site/en/themes/76/）

6. Operating Results for the Jan. 2024 (33rd) Fiscal Period and Earnings Forecast for the July 2024 (34th) and the Jan. 2025 (35th) Fiscal Periods

Distribution in excess of profit (1)

Breakdown of distributions in excess of profit in the 33rd FP

	Distribution type	Subject	Description	Amount of each description (JPY per unit) Actual		Amount of each description (JPY per unit) Initial forecast		Distribution amount (JPY per unit)	
Jan. 2024 (33rd FP)	Optimal Payable Distribution (return of invested capital)	Atsugi LC III	Decrease in revenue during development (JPY13)	13	120	10	242	In light of distribution level considering gain on sale of Kobe LC (3rd gain on sale) , neither optimal payable distribution nor surplus cash distribution shall be made. (Reference) To implement no distribution because the gain on sale (JPY472) exceeds the amount subject to distribution in excess of profit (JPY120) .	0
		Hamura LC	Decrease in revenue during development (JPY0)	―		9			
		Shonan HIP	Excess utility cost (JPY90) (※equivalent to excess from initial budget JPY953mn.) Excess OPEX (JPY0) (※No excess from JPY750mn. per FP)	90		123			
		Reversal of ATA	Reversal due to tax discrepancy related to asset retirement obligation, etc. (initial forecast : JPY84)	―		84			
	Surplus Cash Distribution (return of invested capital)	Yokkaichi LC (New Bldg)	Equivalent to 30% of the depreciation expense of JPY 73 mn. arising from the new building. (JPY10)	10		10			
		Shiga Ryuoh LC	Equivalent to 30% of the depreciation expense of JPY 31 mn. arising from the new acquisition. (JPY4)	4		4			
		Atsugi LC III (Redevelopment)	Equivalent to 30% of the depreciation expense of JPY 68 mn. arising from the redevelopment building. (JPY1)	1		2			
	Temporary distribution in excess of profit (ATA) (For discrepancies between tax and accounting)	Existing properties	Increase in interest costs and amortization expense due to recognition of asset retirement obligations for properties with asbestos (JPY19)	19	6	19	―	Subject to ATA distribution (JPY6)	6
		Yokohama Tsuzuki R&DC	Unrealized loss on sale in the 34th FP (JPY87)	87		―			
		Kawaguchi LC	Accelerated depreciation for renewal of refrigeration equipment (JPY3)	3		―			
		Hamura LC	Reversal of asset retirement obligations due to implementation of underground disposal work for buried objects（JPY -104）	(104)		(104)			

Distribution in excess of profit (2)

Breakdown of distributions in excess of profit in the 34th FP and 35th FP

	Distribution type	Subject	Description	Amount of each description (JPY per unit) Recent		Amount of each description (JPY per unit) Initial plan		Distribution amount (JPY per unit)	
July 2024 (34th FP)	Optimal Payable Distribution (return of invested capital)	Hamura LC	Decrease in revenue during development (JPY7)	7	136	9	195	In light of distribution level considering gain on sale of Kobe LC (4th gain on sale) and Totsuka TC (land with leasehold interest), <u>neither optimal payable distribution nor surplus cash distribution shall be made (estimate)</u>. (Reference) To implement no distribution because the gain on sale (JPY558) exceeds the amount subject to distribution in excess of profit (JPY136) .	0
		Narashino LC II	Decrease in revenue during development (JPY0)	–		–			
		Shonan HIP	Excess utility cost (JPY110) (※equivalent to excess from initial budget JPY873mn.) Excess OPEX (JPY0) (※No excess from JPY750mn. per FP)	110		166			
	Surplus Cash Distribution (return of invested capital)	Yokkaichi LC (New Bldg)	Equivalent to 30% of the depreciation expense of JPY73mn arising from the new building. (JPY8)	8		10			
		Shiga Ryuoh LC	Equivalent to 30% of the depreciation expense of JPY31mn arising from the new acquisition. (JPY3)	3		4			
		Atsugi LC III (Redevelopment)	Equivalent to 30% of the depreciation expense of JPY68mn arising from the redevelopment building. (JPY4)	4		6			
		Sakura LC	Equivalent to 30% of the depreciation expense of JPY5mn arising from the new acquisition. (JPY0)	0		–			
		Shiga Otsu LC	Equivalent to 30% of the depreciation expense of JPY1mn arising from the new acquisition. (JPY0)	0		–			
	Temporary distribution in excess of profit (ATA) (For discrepancies between tax and accounting)	Existing properties	Increase in interest costs and amortization expense due to recognition of asset retirement obligations for properties with asbestos (JPY14)	14	91	19	19	Subject to ATA distribution (JPY91)	91
		Narashino LC II	Accelerated depreciation for demolition of existing buildings (JPY154)	154		–			
		Kawaguchi LC	Accelerated depreciation for renewal of refrigeration equipment (JPY10)	10		–			
		Yokohama Tsuzuki R&DC	Reversal due to realization of unrealized loss on sale and reversal of asset retirement obligations (JPY-87)	(87)		–			
Jan. 2025 (35th FP)	Optimal Payable Distribution (return of invested capital)	Hamura LC	Decrease in revenue during development (JPY7)	7	177	–	–	In light of distribution level considering gain on sale of Totsuka TC (land with leasehold interest), <u>neither optimal payable distribution nor surplus cash distribution shall be made (estimate)</u>. (Reference) To implement no distribution because the gain on sale (JPY393) exceeds the amount subject to distribution in excess of profit (JPY177) .	0
		Narashino LC II	Decrease in revenue during development (JPY63)	63		–			
		Shonan HIP	Excess utility cost (JPY88) (※equivalent to excess from initial budget JPY953mn.) Excess OPEX (JPY0) (※No excess from JPY750mn. per FP)	88		–			
	Surplus Cash Distribution (return of invested capital)	Yokkaichi LC (New Bldg)	Equivalent to 30% of the depreciation expense of JPY73mn arising from the new building. (JPY8)	8		–			
		Shiga Ryuoh LC	Equivalent to 30% of the depreciation expense of JPY31mn arising from the new acquisition. (JPY3)	3		–			
		Atsugi LC III (Redevelopment)	Equivalent to 30% of the depreciation expense of JPY68mn arising from the redevelopment building. (JPY4)	4		–			
		Sakura LC	Equivalent to 30% of the depreciation expense of JPY6mn arising from the new acquisition. (JPY0)	0		–			
		Shiga Otsu LC	Equivalent to 30% of the depreciation expense of JPY1mn arising from the new acquisition. (JPY0)	0		–			
	Temporary distribution in excess of profit (ATA) (For discrepancies between tax and accounting)	Existing properties	Increase in interest costs and amortization expense due to recognition of asset retirement obligations for properties with asbestos (JPY14)	14	45	–	–	Subject to ATA distribution (JPY45)	45
		Narashino LC II	Accelerated depreciation for demolition of existing buildings (JPY28)	28		–			
		Kawaguchi LC	Accelerated depreciation for renewal of refrigeration equipment (JPY2)	2		–			

※ Amounts subject to distribution in excess of profit (JPY per unit) are rounded down to the nearest yen, so totals may not match the sum of each item.｡

Operating Results for the Jan. 2024 (33rd) Fiscal Period

(JPY mm.)

		Jul. 2023 (32nd Period Actual)	Jan. 2024 (33rd Period Actual)	Period over period		Jan. 2024 (33rd Period Original Budget)	Jan. 2024 (33rd Period Actual) Period over period	
Key P/L Figures	Operating revenue	17,848	18,167	+319	+1.8 %	18,405	(237)	(1.3)%
	Operating expense	9,493	9,982	+489	+5.2 %	10,393	(411)	(4.0)%
	Operating Income	8,354	8,185	(169)	(2.0)%	8,011	+173	+2.2 %
	None-operating income	1	-	-1	(70.0)%	-	-	-
	Non-operating expense	936	941	+5	+0.6 %	941	+0	+0.1 %
	Ordinary income	7,419	7,243	(176)	(2.4)%	7,070	+173	+2.5 %
	Net income	7,419	7,242	(176)	(2.4)%	7,068	+174	+2.5 %
	Earnings per unit (yen)	3,530	3,426	(104)	(2.9)%	3,260	+166	+5.1 %
	Distributions per unit (excluding ATA and OPD) (yen)	3,282	3,428	+146	+4.4 %	3,260	+168	+5.2 %
	ATA (Allowance for Temporary difference Adjustment per unit) (yen)	0	6	+6	-	0	+6	-
	OPD (Other exess Profit Distributions per unit)(yen)	0	0	0	-	0	0	-
	Distributions per unit (yen)	3,282	3,434	+152	+4.6 %	3,260	+174	+5.3 %
Other Figures	Capital expenditure	1,118	1,229 (Note1)	+110	+9.9 %	1,285	(56)	(4.4)%
	Maintenance	965	979	+14	+1.5 %	1,079	(99)	(9.2)%
	Enhancement	153	249	+96	+63.2 %	206	+43	+21.1 %
	Repair expense	824	774 (Note2)	(50)	(6.1)%	789	(15)	(1.9)%
	Total	3,061	2,003	(1,057)	(34.5)%	2,074	(71)	(3.4)%
	Depreciation	1,709	2,106	+397	+23.2 %	2,157	(51)	(2.4)%
	FFO	8,267	8,535	+267	+3.2 %	8,228	+306	+3.7 %
	AFFO	7,149	7,306	+156	+2.2 %	6,943	+362	+5.2 %
	Number of properties	77	81	+4	+5.2 %	77	+4	+5.2 %
	Occupancy rate	100.0%	99.7%	(0.3)pt	(0.3)%	100.0%	(0.3)pt	(0.3)%
	Total book value	387,618	394,413	+6,794	+1.8 %			
	Total appraisal value	484,557	491,518	+6,961	+1.4 %			
	Unrealized gain	96,938	97,104	+166	+0.2 %			
	Total debt	212,283	220,283	+8,000	+3.8 %			
	LTV	49.8%	49.9%	+0.1pt	+0.2 %			
	Total net assets	195,690	195,997	+307	+0.2 %			
	Net assets per unit	92,590	92,735	+145	+0.2 %			

*Distribution per unit (excluding ATA and OPD) includes retained earnings brought forward and deduction in net assets(deferred gains on hedges).

* FFO=Net income + depreciation + gain and loss on sale + impairment loss AFFO=FFO – capital expenditure The same applies hereafter.

(Note1) Major capital expenditures carried out in the 33rd FP
IIF Shonan HIP ：JPY167mn. for renewal of industrial controller for monitoring Bldg. A
IIF Kashiwa LC ：JPY70mn. for exterior wall painting work
IIF Osakatoyonaka DC：JPY60mn. for renewal of permanent elevator (No.3 and No.4)
IIF Shonan HIP ：JPY54mn. for expansion of office / meeting rooms
IIF Shonan HIP ：JPY47mn. for renewal of security device

(Note2) Major repair cost carried out in the 33rd FP
IIF Shonan HIP ：JPY49mn. for Inspection and maintenance of air conditioning and heat source equipment in Bldg. A and Bldg. EC
IIF Shonan HIP ：JPY37mn. for Inspection and maintenance of service equipment for Bldg. B and Bldg. C
IIF Shonan HIP ：JPY30mn. for inspection and maintenance of emergency generator
IIF Shonan HIP ：JPY29mn. for Inspection and maintenance of steam sterilizer
IIF Narashino LC ：JPY28mn. for Demolition of Bldg. D

(JPY mm.)

■ Major Factors of Change for 33rd Period（Compared to 32nd Period Actual）

Operating Revenue	**+319**
Increase in rental revenue (Five new properties acquired through PO in 2023)	+210
Increase in rental revenue (Three new properties acquired in December 2023)	+44
Decrease in rental revenue (Repair and maintenance for Shonan HIP, etc.)	(68)
Increase in gain on sale from the dispositions (Deference between 32nd FP and 33rd FP)	+138
Operating Expense	**+489**
Increase in lease expense (Five new properties acquired through PO in 2023)	+28
Decrease in lease expenses (Utilities expense) (Shonan HIP, etc.)	(148)
Decrease in lease expenses (Repair and maintenance) (Shonan HIP, etc.)	(50)
Increase in lease expenses (Other operating expense) (Narashino LC II, etc.)	+27
Increase in depreciation (Hamura LC, Okazaki MC, etc)	+397
Increase in impairment loss (Yokohama Tsuzuki R&DC)	+185
Increase in asset management fee	+38
Non-Operating Expense	**+5**
Increase in interest expense (New borrowings for property acquisition in December 2023, etc.)	+13
Decrease in amortization of investment unit issuance costs (32nd FP: Impact from the end of amortization of the 2020 PO)	(12)

■ Major Factors of Change for 33rd Period (Compared to 33rd Period Original Budget)

Operating Revenue	**(237)**
Increase in revenue from new acquisitions (Three new properties acquired in December 2023)	+44
Decrease in rental revenue (Utilities received) (Shonan HIP, etc.)	(283)
Operating Expense	**(411)**
Decrease in lease expenses (PM Fee) (Yokohama Tsuzuki R&DC Kawaguchi LC, etc)	(103)
Decrease in lease expenses (Utilities expense) (Shonan HIP, etc.)	(355)
Decrease in depreciation (Hamura LC)	(51)
Increase in impairment loss (Yokohama Tsuzuki R&DC)	+185
Non-Operating Expense	**±0**
Increase in interest expense (New borrowings for property acquisition in Dec. 2023, etc.)	+15
Decrease in interest expense on bonds	(11)

Earnings Forecast for the July 2024 (34th) Fiscal Period

(JPY mm.)

		Jan. 2024 (33st Period Actual)	Jul. 2024 (34th Period Announced budget)	Period over period		Jul. 2024 (34th Period Original Budget)	Period over period	
Key P/L Figures	Operating revenue	18,167	20,889	+2,722	+15.0 %	18,075	+2,814	+15.6 %
	Operating expense	9,982	11,160	+1,178	+11.8 %	10,361	+799	+7.7 %
	Operating Income	8,185	9,729	+1,544	+18.9 %	7,714	+2,014	+26.1 %
	None-operating income	-	-	(0)	(100.0)%	0	+0	-
	Non-operating expense	941	1,358	+416	+44.2 %	936	+421	+45.0 %
	Ordinary income	7,243	8,371	+1,127	+15.6 %	6,777	+1,593	+23.5 %
	Net income	7,242	8,369	+1,126	+15.6 %	6,775	+1,593	+23.5 %
	Earnings per unit (yen)	3,426	3,299	(127)	(3.7)%	3,206	+93	+2.9 %
	Distributions per unit (excluding ATA and OPD) (yen)	3,428	3,299	(129)	(3.8)%	3,206	+93	+2.9 %
	ATA (Allowance for Temporary difference Adjustment per unit) (yen)	6	91	+85	+1416.7 %	19	+72	+378.9 %
	OPD (Other exess Profit Distributions per unit)(yen)	0	0	0	-	0	+0	-
	Distributions per unit (yen)	3,434	3,390	(44)	(1.3)%	3,225	+165	+5.1 %
Other Figures	Capital expenditure	1,229	1,830 (Note1)	+600	+48.9 %			
	Maintenance	979	1,411	+431	+44.1 %			
	Enhancement	249	419	+169	+67.9 %			
	Repair expense	774	929 (Note2)	+155	+20.0 %			
	Total	2,003	2,760	+756	+37.7 %			
	Depreciation	2,106	2,822	+716	+34.0 %			
	FFO	8,535	9,774	+1,239	14.5 %			
	AFFO	7,306	7,944	+638	8.7 %			
	Number of properties	81	107	+26	+32.1 %			
	Occupancy rate	99.7%	100.0%	+0.3pt	+0.3 %			

(Note1) Major capital expenditures planned in the 34th FP
IIF Shonan HIP ：JPY252mn. for conversion of Bldg.A to the same spec of Bldg. B (43W)
IIF Shonan HIP ：JPY131mn. for change to LED lightning (Bldg. A2, B2 and C2)
IIF Shonan HIP ：JPY100mn. for change to LED lightning (dimming control area of Bldg. A2, B2, C2)
IIF Shonan HIP ：JPY90mn. for update of RI management system electrical component
IIF Shonan HIP ：JPY70mn. for expansion of office / meeting rooms

(Note2) Major repair cost planned in the 34th FP
IIF Shonan HIP ：JPY88mn. for periodic inspection and maintenance of water supply and drainage facilities in Bldg. A and EC
IIF Shonan HIP ：JPY56mn. for inspection and maintenance of animal system HVAC in Bldg. A
IIF Shonan HIP ：JPY50mn. for remove the fortifications for conversion of Bldg. A to the same spec of Bldg. B (A43W)
IIF Shonan HIP ：JPY43mn. for inspection and maintenance of HVAC equipment in Bldg. B
IIF Shonan HIP ：JPY35mn. for inspection and maintenance of HVAC system of biochemistry and spare room in Bldg. A

(JPY mm.)

■ Major Factors of Change for 34th Period (Compared to 33rd Actual)

Operating Revenue	**+2,722**
Increase in rental revenue (28 new properties acquired through PO in 2024)	＋2,059
Increase in rental revenue (Three new properties acquired in December 2023)	＋123
Decrease in rental revenue (Disposition of the properties)	(220)
Increase in gain on sale from the dispositions (Deference between 33rd FP and 34th FP)	+418
Increase in dividend income from investment in Tokumei Kumiai	+216
Operating Expense	**+1,178**
Increase in lease expense (28 new properties acquired through PO in 2024))	＋66
Increase in lease expense (Repair and maintenance for Shonan HIP, etc.)	＋127
Increase in expensed property – related taxes due to the new properties acquired in 2023 (Partial contribution)	＋37
Decrease lease expense (Disposition of the properties)	(48)
Increase in depreciation (Narashino LC II, 28 new properties acquired through PO in 2024)	＋716
Increase in Asset management fee	＋285
Non-Operating Expense	**+416**
Increase in interest expense for new debt and refinancing	+282
Increase in Borrowing related expenses	+41
Increase in amortization of investment unit issuance	+37

■ Major Factors of Change for 34th Period （Compared to 34th Original Budget）

Operating Revenue	**+2,814**
Increase in rental revenue (28 new properties acquired through PO in 2024)	＋2,059
Increase in rental revenue (Three new properties acquired in December 2023)	＋168
Decrease in rental revenue (Utilities received) (Shonan HIP, etc.)	(240)
Decrease in rental revenue (Disposition of the property (Totsuka TC (Land with leasehold interest))	(196)
Increase in gain on sale from the dispositions (Deference between 33rd FP and 34th FP)	+795
Increase in dividend income from investment in Tokumei Kumiai	+216
Operating Expense	**+799**
Increase in lease expenses (28 new properties acquired through PO in 2024)	＋66
Decrease in lease expenses (Utilities expense)	(306)
Decrease lease expense (Disposition of the properties)	(23)
Increase in depreciation(Narashino LC II, 28 new properties acquired through PO in 2024)	＋636
Increase in Asset management fee	＋292
Non-Operating Expense	**+421**
Increase in interest expense	+354
Increase in Borrowing related expenses	+45
Increase in amortization of investment unit issuance	+37

Earnings Forecast for the Jan. 2025 (35th) Fiscal Period

(JPY mm.)

		Jul. 2024 (34th Period Revised Budget)	Jan. 2025 (35th Period Revised Budget)	Period over period	
Key P/L Figures	**Operating revenue**	20,889	20,948	+58	+0.3%
	Operating expense	11,160	10,987	(172)	(1.5)%
	Operating Income	9,729	9,960	+231	+2.4%
	None-operating income	-	-	-	-
	Non-operating expense	1,358	1,473	+115	8.5 %
	Ordinary income	8,371	8,487	+116	+1.4%
	Net income	8,369	8,485	+116	+1.4%
	Earnings per unit (yen)	3,299	3,345	+46	+1.4%
	Distributions per unit (excluding ATA and OPD) (yen)	3,299	3,345	+46	+1.4%
	ATA (Allowance for Temporary difference Adjustment per unit) (yen)	91	45	(46)	(50.5)%
	OPD (Other exess Profit Distributions per unit)(yen)	0	0	0	-
	Distributions per unit (yen)	3,390	3,390	+0	+0.0%
Other Figures	**Capital expenditure**	1,830	2,093 (Note1)	+263	+14.4 %
	Maintenance	1,411	1,474	+63	+4.5 %
	Enhancement	419	618	+199	+47.6 %
	Repair expense	929	888 (Note2)	(41)	(4.5)%
	Total	2,760	2,981	+221	+8.0 %
	Depreciation	2,822	2,557	(265)	(9.4)%
	FFO	9,774	10,046	+271	2.8 %
	AFFO	7,944	7,952	+8	0.1 %
	Number of properties	107	107	+0	+0.0 %
	Occupancy rate	100.0%	100.0%	-	+0.0 %

(Note1) Major capital expenditures planned in the 35th FP
IIF Kawaguchi LC ：JPY255mn. for cooling equipment upgrading works (Phase I)
IIF Shonan HIP ：JPY160mn. for reinforcement of power receiving and transforming facilities in Bldg. A4
IIF Kobe DHC ：JPY99mn. for air-conditioned renewal works (Phase II)
IIF Shonan HIP ：JPY70mn. expansion of office / meeting rooms
IIF Kobe DHC ：JPY66mn. for exterior wall repair (Phase I)

(Note2) Major repair cost planned in the 35th FP
IIF Shonan HIP ：JPY71mn. for inspection and maintenance of service equipment for Bldg. B and C
IIF Shonan HIP ：JPY57mn. for Inspection and maintenance of steam sterilizer
IIF Shonan HIP ：JPY50mn. for inspection and maintenance of permanent generator
IIF Shonan HIP ：JPY46mn. for inspection and maintenance of air-conditioning and heat source equipment in Bldg. A and EC
IIF Shonan HIP ：JPY38mn. for inspection and maintenance of HVAC system in Bldg. C2

(JPY mm.)

■ Major Factors of Change for 35th Period（Compared to 34th Revised Budget）

Operating Revenue	**+58**
Increase in revenue (28 new properties acquired through PO in 2024)	+460
Decrease in revenue (IIF Narashino LC II)	(164)
Increase in rental revenue (Utilities received)	+70
Decrease in gain on sale from the dispositions (Deference between 34th FP and 35th FP)	(420)
Increase in dividend income from investment in Tokumei Kumiai (Full contribution)	+227
Operating Expense	**(172)**
Increase in lease expenses (28 new properties acquired through PO in 2024)	+10
Increase in lease expenses (Utilities expense)	+108
Increase in expensed property–related taxes due to the new properties acquired in 2023 (Full contribution)	+26
Decrease in lease expenses (Repair and maintenance cost) , etc.	(41)
Decrease in depreciation (Narashino LC II)	(265)
Increase in Asset management fee due to the difference in business days	+57
Non-Operating Expense	**+115**
Increase in interest expense	+100
Increase in borrowing related expenses	+29

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. The same shall apply hereinafter.
The names of related parties may be abbreviated from time to time. The same shall apply hereinafter.
"CC" stands for Card Center. "HIP" stands for Health Innovation Park. "ITSC" stands for IT Solution Center. "LC" stands for Logistics Center. "MC" stands for Manufacturing Center or Maintenance Center. "R&DC" stands for R&D Center. "SC" stands for Science Center. "TC" stands for Technology Center. "TT" stands for Tank Terminal. The same shall apply hereinafter.

P.4 (Note 1) "CRE Carve-outs" are transactions in which a corporate real estate asset is carved out from a company in collaboration with the KKR Group, etc. as part of CRE Strategy aimed to increase enterprise value, according to changes in awareness of cost of capital among Japanese companies. To be specific, it means an acquisition and leaseback transaction of real estate properties carved out by a company, upon the proposal of sale and leaseback to the company intended to improve its balance sheet, PBR (price to book ratio)/ROE and other financial indicators. The same shall apply hereinafter.

(Note 2) Although IIF has obtained preferential negotiating rights for the four underlying assets backed by the equity interest in the silent partnership, IIF has not decided to acquire the underlying assets as of today, and there are no plans to acquire the underlying assets. In addition, there is no guarantee that IIF will be able to acquire the underlying assets based on the preferential negotiating rights. The same shall apply hereinafter.

(Note 3) "NOI yield" and the "NOI yield after depreciation (After adjustment by surplus cash distribution)" of new acquisitions are calculated following formula below. The same shall apply hereafter.

NOI yield = NOI* / Anticipated acquisition price
NOI yield after depreciation= (NOI - depreciation**) / Anticipated acquisition price

* With respect to the calculation of NOI, the NOI of new acquisition is calculated based on the net operating income in the direct capitalization method as described in the appraisal report at acquisition dated February 1, 2024. If the direct capitalization method is not used in the appraisal report, the net operating income for the first year in the DCF method described in the appraisal report is used.
** Depreciation regarding the new acquisitions is calculated at the depreciation ratio under the straight-line method according to the useful lives thereof as with other properties owned by IIF. The same applies hereinafter.

(Note 4) Unrealized gain represents the difference between appraisal value stated in the appraisal reports for the new acquisitions and the acquisition price. Please note that there is no assurance that such unrealized gain will be realized. The average ratio of unrealized gain are calculated as follows. The same shall apply hereinafter.

(Note 5) The anticipated dividend payout is calculated by dividing (A) the product of (a) the simulated dividend of the equity interest in silent partnership, which is calculated by deducting (i) simulated expenses such as operating expense of the SPC and the interest of debt from (ii) the first year net operating income with the DCF method as described in the real estate appraisal report with February 1, 2024 as the appraisal date, and (b) IIF's equity interest ratio to the total equity interest in silent partnership amount (49.9%), by the IIF's anticipated investment amount to the equity interest in silent partnership. The anticipated amounts of expenses are reference values calculated by the Asset Manager, and the actual dividend payout may differ greatly from the reference values or dividends may not be paid at all.

(Note 6) "Stabilized DPU per unit " is calculated by adjusting the forecasted distribution amount announced for the fiscal period ending January 31, 2025 (35th fiscal period) for such factors as tax, gain on sales, and one-time gains or losses such as distributions in excess of earnings, and is not a guarantee in any way of future distributions or the amount thereof. The same shall apply hereafter.

(Note 7) "NAV per unit" is calculated based on the following formula. The same shall apply hereafter.
NAV per unit = Total equity as of the end of the fiscal period ended January 31, 2024 + Total amount to be issued in connection with the 12th public offering* + Maximum amount to be issued through the third-part allotment + Total unrealized gain of assets held as of the end of the fiscal year ending January 31, 2024 (excluding those of IIF Kobe LC and IIF Yokohama Tsuzuki R&DC, which have been sold, and IIF Totsuka TC (land with leasehold interest), which is scheduled to be sold.)+ Total unrealized gain of new acquisitions} ÷ Total number of investment units outstanding after the 12th public offering (2,536,216 units)
* The total amount of the issue price in the offering and the third-party allotment is calculated as JPY 47,262,324,856 and JPY 1,510,491,944, respectively.

P.6 (Note) The figures of "Debt costs" and "Impact on DPU" are estimates of the difference between the interest expense and loan-related costs in the earnings forecast announced on February 15, 2024, based on the interest rate for the new loan determined on February 27, 2024, and there is no assurance that these figures will be realized. The same shall apply hereafter.

P.8 (Note 1) Regarding the "number of properties," "IIF Atsugi Logistics Center III (redevelopment)" and "IIF Okazaki Manufacturing Center (building)," both of which are among the properties acquired in the 33rd fiscal period, are considered to be one property together with the existing owned portion of the same property and included in the number of properties (78 properties) as of the end of the 32nd fiscal period ending July 31, 2023. The underlying assets by the equity interest in the silent partnership is not included in the number of properties.

(Note 2) LTV as of the end of the July 2023 fiscal period (32nd FP) is calculated based on the following formula. The same shall apply hereafter.
・LTV (based on book value) = Total amount of interest-bearing debts÷ Total assets**
・LTV (based on appraisal value) = Total interest-bearing debts*÷ (Total assets** + Total unrealized gain as of the end of the July 2023 Fiscal Period)
* Total interest-bearing debt = Total interest-bearing debt as of the end of the July 2023 Fiscal Period
** Total assets = Total liabilities as of the end of the July 2023 Fiscal Period+ Net assets as of the end of the July 2023 Fiscal Period

(Note 3) LTV after the 12th public offering is calculated based on the following formula. The same shall apply hereafter.
・LTV after the 12th Public Offering (based on book value) = (Total interest-bearing debts as of the end of the January 2024 fiscal period + Amount of the New Borrowings) ÷ (Total assets after the 12th Public Offering)
・LTV after the 12th Public Offering (based on appraisal value) = Total interest-bearing debts as of the end of the January 2024 fiscal period + Amount of the New Borrowings) ÷ (Total assets after the 12th Public Offering + Total unrealized gain after the 12th public offering)
*Total assets after the 12th public offering = Total assets as of the end of January 2024 + Amount of the New Borrowings + Security deposits of new acquisitions - Security deposits of assets disposed of or to be disposed of + Total issue price in the 12th public offering + Total issue price in the third-party allotment of the 12th Public Offering
**Toral unrealized gain after the 12th public offering = Sum of the appraisal values of the assets held as of the end of the fiscal year ending January 31, 2024 and the new acquisitions - Book value of the assets held as of the end of the fiscal year ending January 31, 2024 - Sum of the acquisition prices of the new acquisitions - Unrealized gains as of the end of the fiscal year ending January 31, 2024 on the assets disposed of or to be disposed of

(Note 4) The difference between disposition price and book value is for reference only and differs from the actual gain on sale.

P.14 (Note 1) "KKR Group" collectively refers to KKR and KKR's portfolio companies. The same shall apply hereinafter.

(Note 2) "Return on Equity (ROE)" is the ratio of a company's net income to its shareholders' equity, and is considered an indicator of how efficiently a company uses capital raised from shareholders to generate profits.

(Note 3) "Ratio of Real Estate Assets to Total Assets for Corporates" is based on constituents of MSCI Developed Markets Indexes and excludes corporates categorized as Real Estate Investment Trusts, Finance/Rental/Leasing, Major Banks, Investment Banks/Brokers, Regional Banks, Property/Casualty Insurance, Savings Banks, Investment Managers, Financial Conglomerates, Multi-Line Insurance, Life/Health Insurance, Specialty Insurance, Insurance Brokers/Services by FactSet.

(Note 4) "Ratio of Real Estate Assets to Total Assets for Corporates" is calculated by the aggregate value of land and buildings less depreciation divided by the book value of total assets as of the most recent fiscal period ended December 31, 2022 for the constituents above Note 3.

(Note 5) "ROE of Developed Countries" is based on the constituents for the following indices for each country.
US (S&P): S&P 500 INDEX Hong Kong: HANG SENG INDEX Australia: S&P/ASX 200 INDEX Germany: DAX INDEX UK: FTSE 100 INDEX Singapore: Straits Times Index STI
Canada: S&P/TSX COMPOSITE INDEX Japan: TOPIX France: CAC 40 INDEX Italy: FTSE MIB INDEX

(Note 6) "ROE of Developed Countries" is a simple 10-year average of the ROE values of each index for stocks by country (region) listed in Note 5 as of the end of each year from 2013 to 2022, which is calculated by the weighted average of the ROE of the stocks projected by the following formula, based on the market capitalization of the stocks in the aggregate as of the end of each year from 2013 to 2022.
(Net income allocated to common shareholders* for the last 12 months prior to the end of each year divided by average total common share capital**) x 100
*Common stockholders' allocated net income = net income (loss) - total preferred stock cash dividends - other adjustments
**Total common stockholders' equity = common stock and paid-in capital + surplus and other interests
The average total common share capital is the average of the beginning and ending balances of total common share capital.

Note (2)

P.20 (Note 1) NOI for the July 2023 Fiscal Period is the actual aggregate NOI for the properties held as of the July 2023 fiscal period (32nd FP) (excluding the Anticipated Dispositions). NOI after the 12th public offering is calculated by the sum of (i) the actual NOI for the properties held as of the July 2023 fiscal period (32nd FP) and (ii) the aggregate NOI based on the direct capitalization method stated in the appraisal report at the time of acquisition and converted to a six-month basis.

(Note 2) The percentage of Leases with CPI-Linked Rent Revision is calculated by the amount of leases adopting CPI-linked rent revision provisions divided by total leases for the Anticipated Acquisitions on a rent basis. However, note that lease contracts regarding IIF Hyogo Sanda LC I (Land with leasehold interest), IIF Osaka Konohana LC II (Land with leasehold interest) and the land in leasehold interest for IIF Toyama LC in which the tenants are the master lessee of the leased land, are excluded.

(Note 3) Simulated Rent Revenue Increase from Leases with CPI-Linked Rent Revisions is a reference value based on the assumption that each assumed CPI fluctuation rate continues from the time of acquisition to the first rent renewal based on the lease agreement for each new acquisition, and there is no guarantee that this will be realized. Actual rent increments may differ significantly from such reference values, or no rent increments may occur at all. In addition, in the lease contracts for the new acquisitions and the underlying assets backed by the equity interest in silent partnership , it is agreed that the upper limit of CPI +2% will be used for the calculation of CPI-linked rent, and even if the CPI exceeds +2%, the CPI is considered to be +2% in relation to the calculation of CPI-linked rent. The same applies hereinafter.

P.21 (Note 1) The graph is prepared by the Asset Manager based on the following data; “CREIS Japan” by CBRE K.K. regarding “Logistics (Tokyo Metropolitan Area)”, and “Office data” by Miki Shoji Co., Ltd. regarding “Office (Tokyo)”.

(Note 2) Regarding “Occupancy Rate”, IIF’s occupancy rate has been calculated as a weighted average for each property by dividing the total rented floor space by the total rentable floor space at the end of each fiscal period. The occupancy rate for “Logistics (Tokyo Metropolitan Area)” is defined as the occupancy rate for logistics facilities located within Tokyo, Chiba, Saitama, and Kanagawa, a floor space larger than 10,000 tsubo, and in principle planned and designed to serve multiple tenants from the development stage. The occupancy rate for “Office (Tokyo)” is defined as the occupancy rate for major office buildings located within Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku or Shibuya-ku, and a standard floor area encompassing over 100 tsubo.

(Note 3) “Annual Rent” is calculated with the monthly rent for the building or land (if the contract is for land with leasehold interest) described on the lease agreement for each property or trusted property, and annualized by multiplying 12 (however, for properties or trusted properties with multiple contracts, the rent is calculated as the sum of the said contracts), then rounded down to the nearest JPY million. In addition, the “Rent income contribution in the entire portfolio” is the proportion of the property’s annual rent against the sum of annual rents from IIF’s portfolio after the 12th public offering.

(Note 4) For properties for which a new lease agreement has been concluded with a successor tenant that will commence after the expiration of the lease agreement in effect as of the date of this document, the figure is based on the expiration date of the lease agreement based on such new lease agreement.

(Note 5) The percentage of “Increase”, “Unchanged”, “Under leasing” and “Decrease” in 'Revised rents' is the percentage of the number of lease contracts that have been renewed or are under negotiation with “Increase”, “Unchanged”, “Under leasing” and “Decrease” out of the number of lease contracts that have expired or are due to expire between February 1, 2022 and July 31, 2025, respectively. The “Average rent increase in increase cases” is the percentage of the total difference in rent before and after the increase divided by the total rent before the increase for lease contracts that were renewed with an increase in rent.

P.22 (Note) “NOI” refers to the actual net operating income for each property, and "NOI as of acquisition" refers to the actual NOI for the fiscal period after the acquisition of each property when the property tax and city planning tax began expensing (IIF Kawaguchi LC for the fiscal period ended December 2013, IIF Kashiwa LC for the fiscal period ended December 2014, IIF Higashi Osaka LC for the fiscal period ended December 2014, IIF Osaka Suminoe LC I for the fiscal period ended January 2020 and IIF Shona HIP for the fiscal period ended July 2023).The NOI of "After Contract Renewal" is the NOI of each property for the fiscal year ended July 31, 2023, adjusted on an annual basis, plus the NOI of each property from the fiscal year ended July 31, 2023 to the date of this material. The NOI of “After Contract Renewal” is an estimated value calculated based on the contract renewal agreement, etc., and there is no guarantee that it will match the actual NOI. The same shall apply hereinafter.

P.24 (Note) “Unrealized gains“ is the difference between the appraisal value and book value of the existing properties as of the end of each fiscal period, and “Unrealized gains ratio” is calculated by dividing unrealized gain by book value.
"NAV per unit" is calculated by the following formula.

NAV per unit = NAV ÷ number of investment units issued and outstanding as of the end of each fiscal period
“NAV" is the difference between the value of IIF's assets and liabilities when the value of the real estate-related assets held by IIF is evaluated based on the appraisal value (or survey price), as calculated by the following formula.
NAV = unitholders' capital* + appraisal value (or survey price) of real estate-related assets at the end of each fiscal period - book value of real estate-related assets at the end of each fiscal period*
* Unitholders' capital and book value of real estate-related assets at the end of each fiscal period are the amounts on the balance sheet as of the end of the relevant fiscal period.

“Unrealized gain”, “Unrealized gain ratio” and “NAV per unit” after new acquisition are calculated using the unrealized gains of the assets owned as of the end of January 2024 (33rd period), plus the unrealized gains of the new acquisitions and excluding the unrealized gains of IIF Kobe LC, IIF Yokohama Tsuzuki R&DC and IIF Totsuka TC (land with leasehold interest), the assets disposed of or to be disposed of.

P.25 (Note 1) LTV (based on book value) = Total interest-bearing debt / Total assets. Please refer to the note on P.8 for the figure after the 12th public offering.

(Note 2) LTV (based on appraisal value) = Total interest-bearing debt / (Total assets + Total unrealized gain on IIF’s portfolio). Please refer to the note on P.8 for the figure after the 12th public offering.

P.26 (Note) The figures for "Average borrowing period" and "Average interest rate" of “Status of Finance” are average figures calculated on the basis of borrowings executed between August 1, 2023, and March 31, 2024.

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

KJRM KKR Japan Realty Management

Asset Management Company： KJR Management
(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403,
Member of The Investment Trusts Association, Japan, Member of Japan Investment Advisers Association,
Member of Type II Financial Instruments Firms Association)