Disclaimer

The EU Alternative Investment Fund Managers Directive 2011/61/EU (the "**AIFMD**") and the UK Alternative Investment Fund Manager Regulations (2013/1773) (as amended by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (the "**AIFM Regulations**") require certain disclosures to be made by non-EU or non-UK fund managers, such as KJR Management (the "**Asset Manager**") in its capacity as asset manager of Industrial & Infrastructure Fund Investment Corporation ("**IIF**"), when they market interests in an alternative investment fund to investors located in the European Union ("**EU**") and the United Kingdom (the "**UK**"), as applicable.

This document has been prepared solely for the purpose of providing investors in the Netherlands and the UK with the information required under Article 23 of the AIFMD as implemented in the Netherlands and the equivalent rules of the UK Financial Conduct Authority ("**FCA**") in Chapter 3.2 of the Investment Funds sourcebook of the FCA Handbook ("**FUND**").

Accordingly, you should not use this document for any other purpose.

Netherlands

The units of IIF are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (Wet op het financieel toezicht, or the "Wft"). In accordance with this provision, KJR Management (the "AIFM") has submitted a notification with the Dutch Authority for the Financial Markets. The units of ADR will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (gekwalificeerde beleggers) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor IIF is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor IIF is subject to supervision of the Dutch Central Bank (De Nederlandsche Bank, "DNB") or the Netherlands Authority for Financial Markets (Autoriteit Financiële Markten, the "AFM") and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of Regulation 2017/1129 (as amended, the "Prospectus Regulation"). The AIFM is solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

United Kingdom

The units of IIF are being marketed in the UK pursuant to Article 59 of the AIFM Regulations. The Asset Manager has submitted the necessary notification with the FCA in accordance with this provision.

The units are being marketed in the United Kingdom only to:

(i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended the "**Order**"); or

(ii) (high net worth companies and other persons falling within Articles 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**").

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this document relates (including any invitation, offer or agreement to subscribe for, purchase or otherwise acquire the units) is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person may not act or rely on this document or any of its contents.

In addition to the restrictions under the AIFM Regulations, the units of IIF are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the units or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the units, or otherwise making them available, to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

European Economic Area

In addition to the restrictions under the AIFMD, the units of IIF are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the units or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units, or otherwise making them available, to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Article 23(1)(a) AIFMD/ FUND 3.2.2(1)	
Objectives of the AIF	The investment objective of IIF is to maintain and grow unitholders' value by investing in industrial and infrastructure properties in Japan, which are properties that play a vital role in the Japanese economy and for which IIF expects to see stable demand in the medium to long term. For more information, see https://www.iif-reit.com/english/about/investment.html.
Investment strategy	IIF's investment management strategy is to secure, in the medium to long term, relatively stable cash distributions for its unitholders and steady increases in the value of its portfolio. IIF aims to achieve these objectives through portfolio expansion strategies that are designed to acquire properties that meet its high standards at the appropriate time and price and through portfolio management aimed at sustaining long-term, stable cash flows from such acquired properties. For more information, see https://www.iif-reit.com/english/about/investment.html.
Types of assets the AIF may invest in	Securities, real estate (in particular, industrial properties and infrastructure properties), leaseholds of real estate, surface rights of land (chijo-ken), trust beneficiary interests in real estate, power plants for generation of renewable energy and management rights with respect to public facilities. For more information, see IIF's articles of incorporation (the "**Articles of Incorporation**"), an English-language translation of which may be found at the following link: https://www.iif-reit.com/english/ir/library/5.html
Techniques it may employ and all associated risks	IIF seeks to achieve its investment objectives through a number of strategies including: • *Differentiated property acquisitions strategy*. IIF believes its capability to provide corporate real estate ("**CRE**") solutions, together with its position as the only listed J-REIT specializing in industrial and infrastructure properties, differentiates IIF from its competitors and provides IIF with access to attractive acquisition opportunities. IIF aims to further enhance its expertise and brand as a CRE solution provider by continuously offering innovative solutions to industry participants. • *Extensive independent and sponsor network*. IIF believes that its property acquisition and leasing network is critical to its

	success in acquiring new properties on favorable terms and maintaining a portfolio with stable cash flows. Through proactive proposals to property owners and tenants and pursuit of attractive acquisitions, IIF continues to expand its independent acquisition and leasing network. IIF also intends to make full use of the network of the parent company of the Asset Manager, KKR & Co. Inc. and its related companies' (collectively, "**KKR**") to identify opportunities to build relationships with industry participants. • *Stable cash flow based on long-term leases.* IIF targets property owners and tenants who are currently using properties for their core business operations. IIF believes this strategy differentiates it from other real estate investors that merely seek to use under-utilized properties more efficiently. • *Stable occupancy rate and stable rent income*. Through the use of long-term and fixed-term leases, IIF's portfolio has maintained stable occupancy rates and rent income. IIF maintains close contact with its tenants in order to understand their needs as well as any trends affecting them. IIF focuses on increasing tenants' satisfaction levels in order to maintain and grow IIF's profitability. • *Tenant and portfolio diversification.* IIF seeks to diversify its portfolio and tenant base through expanding the number and types of assets in IIF's portfolio. IIF believes diversification will reduce its reliance on any single tenant, property or property type and contribute to stable cash flows over the long term. • *Recruitment of new tenants*. IIF aims to strengthen its leasing capability by establishing relationships with property managers and companies that are familiar with IIF's target asset categories, IIF's tenants and other key players in similar industries. IIF also seeks to utilize its expansive network and that of KKR to build industry relationships. • *3C Management*. IIF aims to improve the value of its portfolio through 3C Management, which 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). The risks with respect to investment in IIF are as follows: • any adverse conditions in the Japanese economy could adversely affect IIF; • IIF's strategy of investing in industrial and infrastructure

	properties may entail risks uncommon to other J-REITs that invest primarily in a broader range of real estate or real estate-related assets; • industrial and infrastructure properties generally cater to a single tenant or a small number of tenants and are typically designed for a specific use, which may make it difficult to find replacement tenants and cause IIF to incur additional costs; • increasing competition in attracting tenants may adversely affect the ability of IIF to retain its current tenants or find new tenants; • IIF's ability to acquire industrial and infrastructure properties in which the public sector currently plays an important role may depend on certain legal and regulatory changes, and its acquisition of certain industrial and infrastructure properties may expose it to a higher level of regulatory control than typically imposed on other J-REITs; • IIF or its tenants may be unable to obtain or renew government licenses required to operate or develop its existing properties or properties that it hopes to acquire in the future; • relative to other types of real estate properties, industrial and infrastructure properties have a higher risk of experiencing environment-related and other problems that may result in unexpected costs and losses in revenues; • IIF may not close all of its anticipated property acquisitions within the expected timeframe or at all; • IIF may not be able to acquire properties, including in connection with the offering[1], to execute its growth and investment management strategy in a manner that is accretive to earnings; • IIF may suffer large losses if any of its properties incurs damage from a natural or man-made disaster; • IIF depends on a small number of key tenants to lease a significant portion of the properties in its portfolio; • the properties in IIF's portfolio are primarily located in the greater Tokyo area and IIF's business will remain highly susceptible to circumstances and developments that may adversely impact the greater Tokyo area; • IIF's portfolio contains properties located on reclaimed land, which is subject to unique risks, including land liquefaction; • IIF may face unexpected losses as a result of ambiguities in the borders of its properties; • illiquidity in the real estate market may limit IIF's ability to grow or adjust its portfolio;

1 References herein to properties to be acquired in connection with the offering are to (a) IIF Ota Manufacturing Center, (b) IIF Hanno Manufacturing Center, (c) IIF Omi Hachiman Logistics Center, (d) IIF Shiga Ryuo Logistics Center, (e) IIF Atsugi Logistics Center III (Redevelopment) and (f) IIF Yokkaichi Logistics Center (Newly Built Wing).

	• any inability to obtain financing for future acquisitions could adversely affect the growth of IIF's portfolio; • IIF's reliance on and restrictions on its activities under debt financing arrangements may adversely affect its business, financial condition and results of operations; • increases in prevailing market interest rates may increase IIF's interest expenses and may result in a decline in the market price of IIF's units; • decreases in tenant leasehold deposits (*shiki-kin*), security deposits (*hoshō-kin*) or both may increase IIF's funding costs; • because IIF's operating costs are largely fixed, it may suffer material adverse effects if its rent revenue declines; • IIF may lose rent revenue in the event of lease terminations, decreased lease renewals, the default of a tenant as a result of financial difficulty or insolvency, or careless or imprudent property management by a tenant; • master lease agreements may give rise to certain risks; and • IIF may incur additional costs due to preferential purchase rights, such as rights of first refusal or other similar rights held by lessees or tenants; • entering into forward commitment contracts to acquire properties may subject IIF to market risks or cancellation penalties; • defects relating to the title, design, construction or other aspects of IIF's properties may adversely affect IIF's financial condition and results of operations; • when IIF purchases or commits to purchase properties under development, or seeks to develop new properties on its own account, IIF may be exposed to increased risks and uncertainties with respect to the successful completion and operation of such properties; • IIF may rely on expert appraisals and engineering, environmental, seismic and other reports, which are subject to significant uncertainties; • IIF may rely on market reports and industry data that are subject to significant uncertainties; • buildings that IIF intends to acquire may violate earthquake resistance or other building codes, and any such buildings may collapse in even a minor earthquake or may be required to be strengthened or demolished by IIF at significant expense; • IIF's actual results of operations may be worse than its forecasts for future periods, made available publicly on its website, as such forecasts consist of forward-looking statements, are necessarily based on estimates and

	assumptions that are inherently subject to significant business, economic, competitive and other uncertainties and contingencies, are necessarily speculative, and one or more of the assumptions underlying the projections may turn out to be incorrect; • IIF may suffer impairment losses relating to its properties; • IIF's ability to make cash distributions may be adversely affected by changes in the market for infrastructure properties; • IIF prepares its financial statements in accordance with Japanese GAAP which differs in certain material respects from IFRS, U.S. GAAP and generally accepted accounting principles and financial reporting standards in other jurisdictions; • a high level of indebtedness in future may increase IIF's interest expenses and exposure to changes in interest rates; • because some of IIF's properties are equipped with photovoltaic facilities, IIF may be adversely affected by any changes in the market for electricity; • IIF's unitholders have limited control over changes in its investment policies; • IIF's success depends on the performance of service providers to which IIF is required to assign various key functions; • IIF's relationship with KKR does not guarantee that IIF will be able to purchase desirable properties at competitive prices or at all; • IIF's performance is dependent on the efforts of key personnel of IIF's asset manager; • IIF has potential conflicts of interest with its asset manager; • IIF has potential conflicts of interest with KKR; • IIF's redevelopment projects may not go as planned and could adversely affect IIF's revenues; • J-REITs, such as IIF, and their asset managers are subject to strict supervision by the regulatory authorities; • IIF's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify IIF from certain taxation benefits and significantly reduce its distributions to its unitholders; • If the Japanese tax authorities disagree with the interpretations IIF used for prior periods, IIF may be forced to pay additional taxes for those periods; • IIF may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs;

	• Changes in Japanese tax laws may significantly increase IIF's tax burden; • IIF's distributions may decrease due to reversals of allowance for temporary difference adjustments; • IIF expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes; • IIF's unitholders may be subject to U.S. Foreign Account Tax Compliance Act ("**FATCA**") withholding tax; • IIF's ownership rights in some of its properties may be declared invalid or limited; • IIF may lose its rights in a property that it owns if the purchase of the property is recharacterised as a secured financing; • IIF's leasehold rights may be terminated or may not be asserted against a third party in some cases; • IIF's properties for which third parties hold leasehold interests in the land and own the building may subject IIF to various risks; • IIF's costs of complying with, or restrictions imposed under, regulations applicable to IIF's properties could adversely affect IIF's results of operations; • some of IIF's properties are in the form of property or trust co-ownership and IIF's rights relating to such properties may be affected by the intentions of other owners; • from time to time, some of IIF's properties may be in the form of compartmentalized ownership and IIF's rights relating to these properties may be adversely affected by the actions of other owners; • investment in anonymous associations (*tokumei kumiai*) has potential risks; • tax increases or adverse changes in applicable laws may affect IIF's potential liabilities relating to its properties and operations; • there are important differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation; • IIF's unitholders of record as of a record date may not receive the distribution they anticipate; • IIF owns most of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary; • the AIFMD and the AIFM Regulations may negatively affect IIF's ability to market its units in the EEA and the UK and increase IIF's compliance costs associated with the marketing of its units in the EEA and the UK;

	• IIF's units may be deemed to constitute "plan assets" for ERISA purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and IIF being held in violation of ERISA requirements; • IIF unitholders generally cannot require that IIF redeem its units and may be unable to recover part or all of their principal in the event of IIF's bankruptcy, reorganization, dissolution or deregistration; • future sales of units by IIF or its major unitholders could adversely affect the market price of IIF's units, and the issuance of additional units may cause dilution to IIF's existing unitholders; • daily price range limitations imposed by the Tokyo Stock Exchange (the "**TSE**") may prevent the sale of IIF's units at a particular price on a particular trading day, or at all; • the Bank of Japan's policy to buy J-REIT units may affect the market price of IIF's units; • immediate dilution in the net asset value and the appraisal net asset value ("**NAV**") of the units purchased in the offerings; and • risks relating to placing undue reliance on metrics calculated based on appraisal values for IIF properties, including appraisal NAV. IIF discloses additional information about risk on its website at the following link: https://www.iif-reit.com/english/about/risk.html
Any applicable investment restrictions	IIF is subject to investment restrictions under Japanese laws and regulations, including the Act on Investment Trusts and Investment Corporations of Japan (the "**ITA**") and the Financial Instruments and Exchange Act of Japan (the "**FIEA**"), as well as under its Articles of Incorporation. A J-REIT, such as IIF, must primarily invest in specified assets as defined in the ITA ("**Specified Assets**"). Specified Assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (*chijō-ken*) (i.e., the right to use land for the purpose of having a structure on it) or trust beneficiary interests in these assets. Power plants for generation of renewable energy and management rights with respect to public facilities (each as defined in the relevant law) are included in Specified Assets. In addition, a J-REIT which is listed on the TSE, such as IIF, may only make investments permitted by the J-REIT listing rules of the TSE which include real estate, real estate-related assets, cash and cash equivalents. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust

	beneficiary interests for these. A J-REIT listed on the TSE must also comply with the ITA rules, which require such J-REITs to invest over 50% of assets in real estate and asset backed securities investing primarily in real estate, which includes, but are not limited to, real estate, leaseholds of real estate, surface rights of land or trust beneficiary interests in these assets. Pursuant to supervisory guidelines issued by the Financial Services Agency of Japan, an investment corporation may enter into a construction agreement as ordering party in connection with development of land or construction of buildings but may not enter into transactions that oblige the investment corporation to develop land for housing or to construct buildings. Investments must also be made in accordance with the basic investment policy set forth in the Articles of Incorporation. The Articles of Incorporation permit IIF to repurchase its own units for cash consideration with unitholder agreement and approval by the board of directors, subject to certain restrictions on the acquisition price, requirements and procedures under the ITA and other related laws and regulations. The purchase by IIF of its own units is otherwise prohibited, subject to certain exceptions provided by the ITA. The Articles of Incorporation also require IIF to manage its assets so that 75% or more of the total amount of Specified Assets held by IIF is made up of the value of the specified real estate (real estate, real estate lease rights or surface rights, or trust beneficiary rights in trust of real estate proprietary rights, land lease rights or surface rights from Specified Assets acquired by IIF). For an English-language translation of the Articles of Incorporation, see: https://www.iif-reit.com/english/ir/library/5.html
Circumstances in which the AIF may use leverage	IIF depends primarily on external financing in order to finance property acquisitions. IIF may borrow from financial institutions, issue primarily long-term investment corporation bonds and use equity financing in order to finance property acquisitions and, in the case of investment corporation bonds, to refinance debt incurred in connection with prior property acquisitions.
The types and sources of leverage permitted and associated risks	All of IIF's current borrowings are unsecured, provided that IIF maintains certain financial ratios. IIF currently does not have any outstanding guarantees. By financing property acquisitions only after identifying specific properties for potential purchase, IIF seeks to limit the amount of its cash and cash equivalents for which it has no immediate use. IIF's reliance on debt financing for acquisitions may impose restrictions

	on its business and affect its ability to make distributions. IIF's level of debt and the limitations imposed by the terms of IIF's loans or the terms of IIF's bonds could have significant adverse consequences, including the following: • IIF's cash flow may be insufficient to meet its required principal and interest payments; • IIF may be unable to refinance its indebtedness at maturity, or the refinancing terms may be less favorable than the terms of IIF's original indebtedness; and • Some of the terms of IIF's loans and corporate bonds contain restrictive covenants, including covenants limiting its ability to grant pledges or requiring it to maintain certain financial ratios, as well as other restrictions. Any such restrictive covenants in connection with any existing or future indebtedness may limit IIF's operations and limit its ability to make distributions to unitholders or to acquire additional properties. Furthermore, IIF may violate restrictive covenants contained in the loan agreements it executes, which may entitle the lenders to require it to mortgage its properties or demand that the entire outstanding balance be immediately paid before maturity. • Further, while IIF currently has not mortgaged any of its existing properties and does not expect to mortgage any of the anticipated acquisitions, if IIF were to encumber any of its properties to secure payment of its indebtedness and were unable to meet interest or principal payments of such indebtedness, such properties could be foreclosed upon by IIF's lenders or otherwise transferred to them. IIF is only able to borrow from qualified institutional investors as defined in the FIEA and the Special Taxation Measures Act (IIF's tenant leasehold and security deposits not being treated as loans for such purposes) , which limits its pool of potential lenders. This may, in turn, prevent IIF from arranging debt financing quickly or at all. Any or all of these factors could have a material adverse effect on IIF's business, financial condition and results of operations. • Moreover, in the event of an increase in interest rates, to the extent that IIF has any debt with unhedged variable rates of interest or it takes out new debt, its interest payments may increase, which in turn could reduce the amounts available for distributions to its unitholders. Higher interest rates may also limit IIF's capacity for short- and long-term borrowings and investment corporation bonds, which in turn would limit its ability to acquire properties. Thus, higher market interest rates

	could cause the market price of IIF units to decline.
Any restrictions on leverage	IIF may enter into borrowing arrangements and issue investment corporation bonds up to a total of ¥2 trillion.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements. Investors will be provided with information regarding changes to the rights for re-use of collateral under IIF's leveraging arrangements via the IR/PR announcement page maintained by IIF (*https://www.iif-reit.com/english/ir/news.html*).
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	IIF may enter into borrowing arrangements and issue investment corporation bonds up to a total of ¥2 trillion. In assessing the appropriate level of leverage, IIF looks to its debt ratio, which is calculated by dividing the total of interest bearing debt by total assets. In general, IIF seeks to maintain a debt ratio of 60% or less, but there may be times when it exceeds its target threshold in certain circumstances, such as in connection with new property acquisitions financed by debt instead of equity. IIF's debt ratio as of January 31, 2023 was 49.3%. IIF also considers its loan-to value ("**LTV**") ratio, which is calculated by dividing interest bearing debt by total assets. IIF plans to continue to maintain its LTV ratio at around 50 %.
Article 23(1)(b) AIFMD/ FUND 3.2.2(2)	
Procedure by which the AIF may change its investment strategy / investment policy	In accordance with Article 93-2, Paragraph 2 of the ITA, any proposed resolutions to change the AIF's investment strategy or investment policy must be passed with a two-thirds majority of the voting rights of unitholders present when unitholders with a majority of the issued investment units are present.
Article 23(1)(c) AIFMD/ FUND 3.2.2(3)	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any	IIF is a corporate-type investment trust in the form of investment corporation (*toshi hojin*) provided for under the ITA. Therefore, the relationship between IIF and its unitholders is governed by the Articles of Incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. The Articles of Incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of IIF's directors. The relationship between IIF and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.

legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against IIF obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) IIF has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court. IIF is not a party to any material legal proceedings or any off-balance sheet financing transactions. IIF does not intend to enter into securitization transactions with respect to rental receivables or other assets. IIF has no obligations to purchase properties, from KKR or otherwise, other than the properties that it intends to acquire in connection with the offerings. *Asset Management Agreement:* IIF has entered into an asset management agreement with the Asset Manager with respect to the operation and management of IIF's business. This agreement will remain in effect as long as IIF exists, unless earlier terminated by IIF, generally upon six months' prior written notice. IIF has no current intention to terminate the asset management agreement. *Trademark Licensing Agreement*. For the purpose of showing that the Asset Manager manages IIF's assets, IIF has entered into a trademark licensing agreement with the Asset Manager pursuant to which IIF has the right to use the KJR Management logo, which it may use together with its own trade name. In addition, IIF has entered into a trademark licensing agreement with the Asset Manager pursuant to which IIF has the right to use the trademark "IIF," which it may use together with its own tradename.
Article 23(1)(d) AIFMD/ FUND 3.2.2(4)	
The identity of the AIFM, AIF's depository, auditor and any other service providers and a description	*Description of Asset Manager*. KJR Management, a Japanese joint stock company incorporated in November 2000, is IIF's asset manager and manages assets owned by IIF pursuant to the asset management agreement and the Articles of Incorporation. The Asset Manager was previously named Mitsubishi Corp.-UBS Realty Inc. On April 28, 2022,

of their duties and the investors' rights thereto	Mitsubishi Corporation and UBS Asset Management AG, the shareholders of the Asset Manager at the time, transferred all of their shares to 76 Corporation, the indirect subsidiary of KKR & Co. Inc. KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. Other service providers are as follows: • Auditor: Ernst & Young ShinNihon LLC. Audits financial statements and prepares financial reports. • Tax Administrator: Ernst & Young Tax Co. Undertakes our tax administration in Japan, such as the preparation of our Japanese tax returns, but does not undertake the payment of our taxes. • Transfer Agent and Special Accounts Administrator: Mitsubishi UFJ Trust and Banking Corporation ("**MUTB**"). Provides transfer agency services and special accounts administration services, including the registration and administration of account information and sending certain notices to unitholders. • Custodian and General Administrator: Sumitomo Mitsui Trust Bank, Limited ("**Sumitomo Mitsui Trust Bank**"). Provides custodial and general administrative services. • Investment Corporation Bondholders' Register: MUFG Bank, Ltd. ("**MUFG Bank**"). Acts as general administrator of our investment corporation bonds. Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that an asset manager owes a J-REIT a fiduciary duty and must conduct its activities as the asset manager in good faith. The FIEA also prohibits an asset manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the asset manager that are contrary to or violate the J-REIT's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.
Article 23(1)(e) AIFMD/ FUND 3.2.2(5)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	The Asset Manager (AIFM) covers its professional liability risks through the provision of its own funds.
Article 23(1)(f) AIFMD/ FUND 3.2.2(6)	

Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities. The Asset Manager owes IIF fiduciary duties of loyalty and good faith as its asset manager under the FIEA and its asset management agreement with IIF. However, potential conflicts of interest between IIF and the Asset Manager could adversely affect IIF through the Asset Manager's performance. Moreover, the Asset Manager manages the assets of other another J-REIT, Japan Metropolitan Fund Investment Corporation, in addition to IIF's assets.
Article 23(1)(g) AIFMD/ FUND 3.2.2(7)	
Description of the AIF's valuation procedure and pricing methodology for valuing assets, including the methods used in valuing hard- to-value assets	J-REITs may only use the valuation methods prescribed in the rules of the ITA, which emphasize market price valuation. Under the Articles of Incorporation, IIF shall evaluate its assets in accordance with generally accepted corporate accounting practices. In evaluating its assets, IIF shall comply with the general principle of consistency in order to ensure the reliability of the evaluation results, and carry out its business appropriately and faithfully for the benefit of unitholders. The asset evaluation methods and standards to be used will depend on the type of invested asset. The asset evaluation methods and standards currently in effect are set forth in the Articles of Incorporation, an English-language translation of which is available at the following link: https://www.iif-reit.com/english/ir/library/5.html
Article 23(1)(h) AIFMD/ FUND 3.2.2(8)	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	IIF seeks to manage its capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions. Liquidity management is a core component of the investment process and will be taken into consideration in the application and ongoing monitoring of IIF's investment management strategy, liquidity and profile. For the purpose of further strengthening its long-term financial position by maintaining a certain level of liquidity relative to asset size, IIF has entered into a commitment line agreement with MUFG Bank, Sumitomo Mitsui Trust Bank and Mizuho Bank, Ltd. for the total amount of ¥10

	billion and currently with a contract period from July 1, 2015 to June 30, 2023. IIF has also entered into an additional commitment line agreement with MUFG Bank and Sumitomo Mitsui Trust Bank for the total amount of ¥5 billion and currently with a contract period from September 11, 2019 to June 30, 2023. IIF also has established a ¥10 billion commitment-type term loan agreement for a term of four years with Development Bank of Japan Inc., with a contract period from March 15, 2020 to March 15, 2024. As IIF is a closed-end J-REIT in the form of an investment corporation, unitholders are not entitled to request the redemption of their investment.
Article 23(1)(i) AIFMD/ FUND 3.2.2(9)	
Description of all fees, charges and expenses and the maximum amount which is directly / indirectly borne by the investors	*Expenses related to Property Rental Business.* Expenses related to property rental business are IIF's largest operating expense item. Expenses related to property rental business primarily include the following: • *Depreciation*. Depreciation expenses depend on the acquisition costs of IIF's properties, the method of depreciation and the assignment of components of such properties to accounting categories with varying estimated useful lives. IIF expects to continue to use the straight-line depreciation method for all of its properties. • *Leasehold Rents*. To the extent that IIF holds only leasehold or subleasehold interests in the land or buildings at its properties, IIF incurs rent expenses arising from its rental payments to the owners of the buildings or land. As of January 31, 2023, IIF held leasehold interest in the land on which IIF Haneda Airport Maintenance Center is located. Total leasehold rents were ¥439 million for the fiscal period ended July 31, 2022 and ¥444 million for the fiscal period ended January 31, 2023. • *Property-related Taxes*. Property-related taxes are imposed annually on the record owner of the property as of January 1st of each year and are required to be paid in installments. The schedule for payment of installments varies among municipal governments. Government assessments of property values that are used for the purpose of calculating property-related taxes are conducted every three years. When a property is sold, the purchaser of the property typically reimburses the seller, pursuant to the purchase agreement, for the pro rata portion of the property-related taxes that relates to the period from the acquisition date to the end of the calendar year in which the acquisition occurs (or for some localities, the end of March of the subsequent calendar year). As is customary in real property transactions in Japan and in accordance with Japanese GAAP, IIF capitalizes the pro rata portion as part of the acquisition cost of

	the property and do not recognize it as an expense. IIF recognizes property-related taxes for each calendar year following the year of acquisition as property-related expenses in its statement of income. Expenses for property-related taxes are recognized in the fiscal period in which the relevant installment is paid to the relevant municipal government. Therefore, portions of expenses for property-related taxes in respect of any calendar year will be recognized in various fiscal periods ending in July and January of that calendar year and July of the following calendar year in accordance with the schedule of installments for the relevant municipalities. The amount of IIF's property-related taxes depends on the timing and size of its property acquisitions and dispositions, as well as real estate tax rates. • *Property Management Fees.* IIF pays fees to the property managers of its properties, which are expensed as incurred. These fees vary among the property managers but are typically fixed monthly fees. IIF expects property management fees to increase largely in line with the increase in the size of its portfolio. • *Facility Management Fees*. IIF pays fees to various third parties to which it outsources facility management functions, such as security, maintenance and cleaning. IIF typically pays fixed monthly fees to these third parties. IIF expects facility management fees to increase largely in line with the increase in the size of its portfolio. • *Utilities*. With respect to lease agreements for certain properties that require IIF to pay utility charges and be reimbursed by tenants, it records reimbursable utility charges on a gross basis. • *Insurance*. IIF incurs insurance expenses related to fire, liability and business interruption insurance for each of the properties in its portfolio. IIF's insurance expenses are expected to vary year to year based upon prevailing conditions in the insurance market. • *Trust Fees*. Trust fees include fees payable to trustees in relation to IIF's ownership of properties through the trust beneficiary interests established through trust agreements with major Japanese financial institutions. Each trustee is entitled to fixed trust fees that IIF pays on a quarterly basis for the period from the trust establishment date through the termination of the trust. • *Repair and Maintenance*. The general condition of each property affects the amount of repairs and maintenance necessary for the property. Based on currently available information, IIF believes that none of the properties currently in its portfolio and none of the properties that it intends to acquire in connection with the offering will require significant repairs or maintenance in the

	short term. The aggregate of the above-mentioned fees, charges and expenses will vary and cannot be reliably predicted. *Compensation for Directors.* IIF's articles of incorporation provide that it may pay its executive director up to ¥800,000 per month and each of its supervisory directors up to ¥500,000 per month. IIF's board of directors is responsible for determining a reasonable compensation amount for its executive director and each of its supervisory directors, taking into account general price movements and wage movements. IIF does not have any unit-based compensation plan. *Asset Management Fees.* Under the asset management agreement, the Asset Manager receives an asset management fee for (i) the period from the day after the end of the previous fiscal period through the last day of the third month following the end of the previous fiscal period (referred to as "Calculation Period I") and (ii) the period from the day after such last day of Calculation Period I through the end of the current fiscal period (referred to as "**Calculation Period II**"), calculated by multiplying the total assets (as defined below) for each of Calculation Period I and Calculation Period II by a rate separately agreed upon by IIF and the Asset Manager, not exceeding the annual rate of 1/100 (calculated on a per diem basis based on the actual number of days in the applicable calculation period based on 365 days per year). Total assets for Calculation Period I are calculated as indicated below. If IIF acquires or disposes of assets set forth in Article 11, Items 1, 2, 4, or 6 of IIF's articles of incorporation, or Major Investment Assets, during Calculation Period I, total assets for Calculation Period I are calculated as follows: • If X is equal to or greater than Y, by adding the difference between X and Y to the total assets indicated in the balance sheet for the previous fiscal period. • If X is less than Y, by adding the difference between Z and Y (or if the difference is negative (where Z is smaller than Y), by subtracting the absolute value of such difference) to the total assets indicated in the balance sheet for the previous fiscal period. In performing the above calculations, X is the total acquisition price of the Major Investment Assets, Y is the total book value of the Major Investment Assets disposed during Calculation Period I based on the balance sheet for the previous fiscal period and Z is the total sales price of the disposed Major Investment Assets. Total assets for Calculation Period II are the total assets shown on the

	balance sheet for the fiscal period ending on the last day of Calculation Period II. *Custodian and General Administrator Fees.* IIF pays fees, or custodian fees, to Sumitomo Mitsui Trust Bank in its capacity as IIF's custodian. IIF also pays fees, or general administration fees, to Sumitomo Mitsui Trust Bank for administrative services related to the administration of issuance of IIF's units, the administration of institutional matters (such as the administration of directors' and unitholders' meetings, but excluding the creation, administration and custody of the unitholder registry), the administration of accounting matters, the preparation of financial documents and the administration of tax payments. Both fees include national and local consumption tax thereon. IIF pays custodian fees and general administration fees to Sumitomo Mitsui Trust Bank for each fiscal period. The amount of such custodian fees and general administration fees payable at the end of each fiscal period is determined in proportion to IIF's asset portfolio and in an amount agreed upon with Sumitomo Mitsui Trust Bank, but the amount of such custodian fees and general administration fees may not be more than the upper limit set by the method of calculation for custodian fees and general administration fees as provided below (truncating figures less than ¥1). Such fees are paid to Sumitomo Mitsui Trust Bank by the end of next month after IIF's receipt of the invoice thereof. *Method of Calculation for Custodian Fees.* The upper limit of custodian fees for a fiscal period is the sum of the monthly fees for each month in the fiscal period calculated as provided below. (a) The last month of the fiscal period: The upper limit of the monthly fees for each such month is 0.03% of the amount of IIF's total assets as of the end of the relevant fiscal period as shown on its balance sheet, divided by 12. (b) Months other than the last month of the fiscal period: The upper limit of the monthly fees for each such month is 0.03% of the amount of IIF's total assets as of the end of the relevant month as shown on its monthly trial balance, divided by 12. *Method of Calculation for General Administration Fees*. The upper limit of general administration fees for a fiscal period is the sum of the monthly fees for each month in the fiscal period calculated as provided below. (a) The last month of the fiscal period: The upper limit of the monthly fees for each such month is 0.09% of the amount of IIF's total assets as of the end of the relevant fiscal period as shown on IIF's balance sheet, divided by 12.

(b) Months other than the last month of the fiscal period: The upper limit of the monthly fees for each such month is 0.09% of the amount of IIF's total assets as of the end of the relevant month as shown on its monthly trial balance, divided by 12.

Notwithstanding the above calculation methods, regarding any month for which services were provided for only part of the month, the amount of custodian fees or general administration fees will be equal to an amount calculated in accordance with the above calculation method for custodian fees or general administration fees, respectively, but reduced pro rata based on the actual number of days in such month (truncating figures less than ¥1). If the period for which services were provided does not include the last calendar day of the relevant month, the amount of total assets for the purposes of the calculations above will be the amount of IIF's total assets as of the end of the previous month as shown on IIF's balance sheet or monthly trial balance, as the case may be.

Transfer Agent
IIF pays monthly fees to MUTB in its capacity as the transfer agent pursuant to the fee schedule of the transfer agency agreement and as detailed below. Fees for services not listed on such fee schedule will be decided upon consultation between IIF and MUTB.

Standard fees. Standard fees are for services such as administration and custody of the unitholders' register, confirmation of unitholders for settlement of accounts, managing unitholders lists, compilation of statistical data, and the creation, administration and custody of distribution profit reports, investment securities ledgers, non-issued investment securities management reports, registers of investment securities refund amounts, unpaid dividends reports and unpaid refunds reports. The monthly fee is the sum of the fees calculated per unitholder as provided below, based on the number of unitholders as of the end of each month. There is a minimum monthly fee of ¥220,000.

Number of Unitholders	Fees per Unitholder
first 5,000 unitholders	390 yen
over 5,000 to 10,000	330 yen
over 10,000 to 30,000	280 yen
over 30,000 to 50,000	230 yen
over 50,000 to 100,000	180 yen
over 100,000	150 yen

	General Administrator for Investment Corporation Bonds. IIF pays fees to MUFG Bank for services related to principal and interest payments made on its outstanding investment corporation bonds which MUFG Bank makes on its behalf. Such fees are calculated as provided below. Fees for Principal Payments. Fees for principal payments are 0.00075% of the amount of the principal payment. Fees for Interest Payments. Fees for interest payments are 0.00075% of the amount of the principal forming the basis for the interest payment. Fees Paid Related to the Administration of the Issuance of IIF's Investment Corporation Bonds and the Administration of IIF's Investment Corporation Bonds While Outstanding. IIF paid fees including national and local consumption tax thereon to MUFG Bank for services related to the administration of the issuance of its investment corporation bonds as well as the administration of its investment corporation bonds while they are outstanding. *Tax Administrator.* IIF pays fees, or tax administration fees, to Ernst & Young Tax Co. each accounting period by the end of the following month from the issuance of invoice following the filing of IIF's tax returns. Each amount of the tax administration fees that are paid to Ernst & Young Tax Co. is an amount agreed upon with Ernst & Young Tax Co. but not to exceed more than ¥10 million per fiscal period. The AIF may also incur other miscellaneous fees in connection with the issuance of units, the operation, management, acquisition, or disposition of properties, utilities, and insurance. These fees and expenses are borne indirectly by investors to the extent they reduce distributable income.
Article 23(1) (j) AIFMD/ FUND 3.2.2(10) – (11)	
Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under the ITA, investment corporations are required to treat unitholders equally depending on the number of units held. In the event of IIF's liquidation, the assets remaining after payment of all debts, liquidation expenses and taxes will be distributed among the unitholders in proportion to the number of units held.
Article 23(1) (k) AIFMD/ FUND 3.2.2(14)	

The latest annual report referred to in Article 22(1)	Additional information may be found in IIF's most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at Tokyo Building, 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-6420, Japan Tel: +81-3-5293-7000 and via IIF's website at the link below: https://contents.xj-storage.jp/xcontents/32490/051ac969/217b/46b3/a9f2/3f090327c205/20221026184611888s.pdf A list of all semi-annual reports may be accessed via IIF's website at the link below: https://www.iif-reit.com/english/ir/library/6.html
Article 23(1) (l) AIFMD/ FUND 3.2.2(12)	
The procedure and conditions for the issue and sale of the units	IIF is authorized under the Articles of Incorporation to issue up to 32,000,000 units. IIF may issue units at the times and upon the terms approved by resolution of its board of directors. Its units have been listed on the TSE since October 18, 2007. Secondary market sales and transfers of units will be conducted in accordance with the rules of the TSE. Unit prices on the TSE are determined on a real-time basis by the equilibrium between bids and offers. The TSE sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.
Article 23(1) (m) AIFMD/ FUND 3.2.2(13)	
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	The latest market price of IIF's units is publicly available at the TSE or from financial information vendors (including Reuters, which can be viewed at https://www.reuters.com/finance/stocks/overview/3249.T)
Article 23(1) (n) AIFMD/ FUND 3.2.2(15)	
Details of the historical performance of the AIF, where available	The units of IIF were listed on the TSE on October 18, 2007. The closing values of the AIF's units on the TSE for the last trading day of each of the fiscal periods ending January 31, 2021, July 31, 2021, January 31, 2022, July 31, 2022 and January 31, 2023 were 188,200 JPY, 211,900 JPY, 192,500 JPY, 185,100 JPY and 143,900 JPY, respectively. The most recent five fiscal period performance of the units is as follows (translation from the Japanese at available on IIF's website: https://www.iif-reit.com/english/ir/financial.html):

	<table><tr><td>Fiscal Period</td><td>Total Assets (JPY million)</td><td>Total Net Assets (JPY million)</td><td>Total unitholders' equity per unit (base value) JPY</td></tr><tr><td>31st Fiscal Period (August 1, 2022 to January 31, 2023)</td><td>422,345</td><td>188,905</td><td>91,257</td></tr><tr><td>30th Fiscal Period (February 1, 2022 to July 31, 2022)</td><td>417,430</td><td>189,358</td><td>91,476</td></tr><tr><td>29th Fiscal Period (August 1, 2021 to January 31, 2022)</td><td>413,419</td><td>189,173</td><td>91,387</td></tr><tr><td>28th Fiscal Period (February 1, 2021 to July 31, 2021)</td><td>407,428</td><td>190,116</td><td>91,842</td></tr><tr><td>27th Fiscal Period (August 1, 2020 to January 31, 2021)</td><td>406,290</td><td>190,053</td><td>91,812</td></tr></table>
Article 23(1) (o) AIFMD/ FUND 3.2.2(16)	
Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist	Not applicable.
Article 23(1) (p) AIFMD/ FUND 3.2.2(17)	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The following information, to the extent relevant, will be made available to investors, at a minimum, as part of an English-language report published at least annually via IIF's website in compliance with Articles 22, 23(4), 23(5) and 24 of the AIFMD: • the percentage of IIF assets which is subject to special arrangements arising from their illiquid nature (of which there are currently none); • IIF's current risk profile and the risk management systems

	employed to manage those risks • the total amount of leverage IIF employs.
Article 23(2) AIFMD/ FUND 3.2.3	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge itself of liability in accordance with Article 21(13)	Not applicable.
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
Article 23(4)(a) AIFMD/ FUND 3.2.5(1)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.
Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.
Article 23(4)(b) AIFMD/ FUND 3.2.5(2)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (i.e. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	IIF is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the	There are no voting or other restrictions on the rights attaching to units.

length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	
Article 23(4)(c) AIFMD/ FUND 3.2.5(3)	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks	IIF raises funds through loans payable, the issuance of investment corporation bonds or investment units for the acquisition of real estate properties, expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully through investment in financial instruments taking into account liquidity and safety in light of the current financial market condition. The funds raised through loans payable or issuance of investment corporation bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing loans payable or investment corporation bonds. Tenant leasehold and security deposits are deposits from tenants. Although loans payable with floating interest rates are subject to fluctuations in market interest rates, the Asset Manager manages interest fluctuation risk by monitoring market interest rates and measuring the effect on the results of operation of IIF. In addition, a certain portion of loans payable with floating interest rates is hedged by derivative instruments (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. IIF uses derivative instruments in accordance with its risk management policy and internal rules. Liquidity risks relating to loans payable, investment corporation bonds or tenant leasehold and security deposits are managed by preparing monthly plans for funds, maintaining high liquidity and entering into commitment line agreements with banks. Derivative instruments are used only for hedging purposes and not for speculation. In accordance with IIF's risk management policy and its internal rules, it uses derivative instruments for the purpose of hedging risks that are prescribed in its articles of incorporation. IIF hedges

	fluctuations in interest rates of loans payable through the use of interest rate swaps as hedging instruments and deferred hedge accounting is generally applied. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments with those of the hedged items. IIF applies, however, the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under such swap contracts can be recognized and added to or deducted from any interest earned or incurred on the hedged asset or liability, as appropriate, and the fair value of the interest rate swaps is not required to be evaluated separately. An assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment. In consideration of IIF's portfolio that generates "long-term stable cash flows based on long-term lease contracts," IIF's basic strategy in raising funds is to fix liabilities in the long term. In accordance with this policy, IIF will continue to pursue ALM (Asset Liability Management) that matches up the long-term stable cash flows of properties with the long-term fixed-rate borrowings. IIF will also proceed with reducing fund-raising costs, lengthening borrowing periods, standardizing repayment amount and diversifying repayment dates through effective refinancing of existing loans. Furthermore, IIF will continue to diversify lenders and procurement methods in the aim of enhancing its fund-raising base.
Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
Article 23(5)(a) AIFMD/ FUND 3.2.6(1)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.	
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No applicable arrangements. Investors will be provided with information regarding any new arrangements or: changes to the rights for re-use of collateral under IIF's leveraging arrangements; any guarantee granted under IIF's leveraging arrangements; or any changes to the maximum level of leverage employed by the Asset Manager on IIF's behalf. This information will be made available to investors, without undue delay following the occurrence of that change, usually via IIF's website, or in such other manner as the Asset Manager and IIF's board of directors determine as appropriate.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b) AIFMD/ FUND 3.2.6(2)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of interest-bearing debt was JPY 208,283 million as of January 31, 2023.

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name/Legal entity identifier:
Industrial & Infrastructure Fund Investment Corporation (IIF) (LEI: 353800WCHFY04YKYCI19)

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	✖ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	✖ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

IIF is managed by KJR Management ("the asset manager"), an asset management company that specializes in Japanese real estate investment. IIF focuses on industrial and infrastructure properties.

IIF promotes environmental and social characteristics as follows:

- ensuring the quality of the buildings under our management through certifications and other means and addresses issues related to climate change and energy efficiency.
- striving to improve building comfort and convenience and to raise the awareness about ESG among tenant employees.
- working together with our tenants and local community members to address the issues of efficient water use and waste disposal. By strengthening the resilience of buildings through disaster prevention measures and the provision of community spaces, as well as social contribution activities, IIF is committed to strengthening and improving connections with local people. By doing so, we will work to establish partnerships and build green communities.

IIF does not designate a reference benchmark to measure the achievement of the environmental or social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Indicators used to measure the attainment of these environmental and social characteristics include:

- ☐ Environmental indicators: GHG emissions; Scope1, Scope2 and Scope3 (PAI 18, Table 2)
- ☐ Energy consumption; Fuels, District Heating & Cooling and Electricity (PAI 19, Table 2)
- ☐ Acquiring certifications

IIF works actively on energy conservation measures that relate to asset management, with the aim of creating a sustainable society through the reduction of environmental impact. As part of our carbon risk measures, IIF collectively manages its energy consumption and GHG emissions by outsourcing this work to external contractors; this has enabled IIF to gather highly accurate and transparent data. IIF then analyzes this data as part of continuing efforts at managing reductions in energy consumption.

IIF is responding to the problem of climate change, which is becoming more serious year by year, by implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. Also, to reduce GHG emissions, which are one of the risk factors for climate change, it has established systems for understanding and managing GHG emissions in our portfolio as a whole. IIF collectively manage electrical power, fuel, and water consumption and analyze the accumulated data, which is both accurate and highly transparent to actively manage reduction of energy use.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A. IIF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A. IIF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A. IIF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A. IIF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes

Our investments may have a principal adverse impact (PAI) on sustainability factors as defined in Regulation (EU) 2019/2088. The PAI throughout the investment cycles is measured and evaluated with the help of defined indicators based on the asset manager's own research.

IIF and its asset manager, KJR Management, recognize the importance of the principal adverse impacts on sustainability factors (hereinafter also Principal Adverse Impacts or PAI) are taken into account throughout investment cycles.

PAIs describe the negative effects of the company's business activities and countries in which the fund invests regarding environmental, social and employee concerns, respect for human rights anti-corruption and bribery. Therefore, the aim of IIF's PAI strategy is to limit the negative influences on sustainability factors associated with its investment decisions. To this end, systematic procedures for measuring and evaluating, as well as measures for dealing with PAI in investment processes are applied as explained below.

The PAI throughout investment cycles is measured and evaluated with the help of defined indicators based on the asset manager's own research.

The following indicators are used that measure the PAI of IIF;

1. GHG emissions; Scope1, Scope2 and Scope3
2. Energy consumption; Fuels, District Heating & Cooling and Electricity

GHG emissions and Energy consumption data are provided by each energy supply vendor used to bill for electricity and other services. This data is collected by a third-party property management company and stored in a system provided by another third party. The collected data and the progress in reducing GHG emissions and Energy consumption is reported on by IIF at the sustainability committee meetings, which aims to meet once a quarter.

As an engagement to reduce GHG emissions and energy consumption which are PAI, we provide explanations to our tenants about our environmentally friendly initiatives and facility renewal. When we renew facilities, we install energy-efficient equipment through green leases through engagement with tenants. In this process, we hold dialogues with property management companies (third parties) and tenants regarding GHG emissions and energy consumption of owned properties, including investigation of the causes in purpose of assessing, monitoring and mitigating PAI.
In order to fundamentally limit the negative sustainability impacts associated with the investments, IIF has taken steps to install solar power generation and renewable energy, purchase green power and implement energy-saving modification such as conversion to LEDs and updating air conditioning units which reduce GHG emissions and Energy consumption.

Further information on PAIs can be found on IIF's Environmental Performance.
Semi-Annual Report can be found on IIF's IR Library.

No

What investment strategy does this financial product follow?

Our RPI strategy is integrated into the asset management of the investment corporations and is implemented by all of our operational functions during the entire ownership cycle, from the acquisition of the asset to the ongoing asset management, marketing, renovation and maintenance through sale. We are implementing our RPI strategy in our investment and management process as follows:

- Investment Decisions
  - Incorporate environmental and social risks into the evaluation criteria when acquiring, selling or operating properties
  - Integrate RPI strategies, but not at the expense of long-term client financial performance
- Refurbishment
  - Incorporate RPI strategies into the design and financial analysis of all property renovations
  - Evaluate obtaining certifications applicable for each property type and location prior to refurbishment to expedite approval process and enhance the property's competitive position to maximize occupancy, rents and tenant quality
  - Engage with planners and other external project partners and consultants to achieve objectives
- Operations and Maintenance
  - Define and implement best practice measures (priority on no costs and low costs) to improve energy efficiency, water conservation and waste management for all operating assets in order to promote sustainable practices
  - Reduce operating expenses and thereby increasing property values
  - Evaluate obtaining green building certifications applicable for each property type and location in order to enhance the property's competitive position to maximize occupancy, rents and tenant quality
  - Monitor changes in regulations and laws in order to adopt and implement RPI strategies
  - Collaborate with tenants, property managers and suppliers of services and materials to

achieve objectives

As for the environment, IIF is continuously working on environmental and energy conservation measures and energy efficiency improvement in the properties owned by the investment corporation. IIF is implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. For example, IIF actively engages in the effective use of water resources. IIF is engaged in initiatives to use water effectively by, for example, use of water for on-site spraying of pumped water from 100 meters underground with an automatic water supply device.

IIF provides neighboring communities and governments with spaces and public open spaces at the real estate properties it owns. In addition, IIF provide tours of our facilities and other services to ensure that local residents are aware of the functions performed by our properties in the area.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  IIF delegates operations to its asset manager through the Asset Management Agreement. Therefore, IIF follows an investment strategy established by the asset manager, which is described below. The asset manager has an Environmental Charter that sets out our environmental principles and actions, wherein it commits to climate action and the sustainable use of resources among other environmental objectives.

  In addition, the asset manager has established a Responsible Property Investment Policy (RPI Policy), which sets out our policies for integrating environmental and social considerations into investment and asset management process. The RPI Policy outlines the asset manager's commitment at each of the three key stages of investment: investment decisions, refurbishment, and operations and maintenance. In terms of investment decisions, the asset manager incorporates environmental and social risks into the evaluation criteria when acquiring, selling, or operating properties. In terms of refurbishment, the key approach is to evaluate obtaining certifications applicable for each property type and location prior to refurbishment to expedite approval process and enhance the property's competitive position to maximize occupancy, rents, and tenant quality. Finally, in terms of operations and maintenance, the asset manager monitors opportunities to obtain green building certifications, monitor regulatory and legal changes, and continuously seek opportunities to implement best sustainability practices measures such as those regarding resource efficiency.

  IIF is responding to the problem of climate change, which is becoming more serious year by year, by implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. Also, to reduce GHG emissions, which are one of the risk factors for climate change, IIF has established systems for understanding and managing GHG emissions in our portfolio as a whole.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

  The Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy. However, given the nature of the Art. 8 Funds, the asset manager takes various environmental factors into consideration such as property inspections, and land history investigations. In addition, the asset manager investigates legal compliance, credit checks, and environmental risks such as asbestos and PCBs based on an ESG checklist used during the due diligence process, which includes ESG-related items to be checked.

- ***What is the policy to assess good governance practices of the investee companies?***

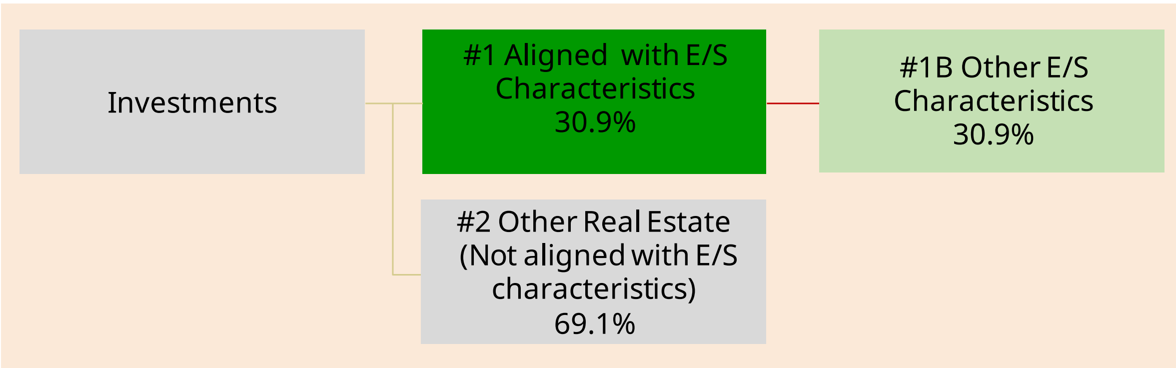
IIF invests mainly in real estate. KJR Management is the asset manager for IIF. In the course of making decisions regarding the acquisition, disposal, or operation and management of assets, approval is obtained from the Investment Committee and the Senior Advisory Board/Board of Directors. The asset manager takes various environmental factors into consideration such as property inspections, and land history investigations. In additions, the asset manager investigates legal compliance, credit checks, and environmental risks such as asbestos and PCBs based on ESG checklists.

What is the asset allocation planned for this financial product?

IIF's asset allocation is mainly in real estate assets. IIF has the following indicators;

- Acquiring certifications
- CO2 emissions (per unit): Reduce by 50% in 2030 compared to 2015
- Energy consumption (per unit): Reduce by 30% in 2030 compared to 2015

The above three indicators are considered to determine whether investments are aligned with E/S characteristics. An asset is considered to be consistent with E/S characteristics when it meets one of the above three criteria.



As of July 31, 2022, 30.9% of the properties in the portfolio met one of the above criteria and were deemed aligned with E/S characteristics, and 69.1% were not aligned with E/S characteristics based on gross floor area.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

IIF uses derivatives for hedging market risks (mainly interest rate swaps) purposes only. Therefore, this is not relevant to achieving ESG characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

IIF does not have sustainable investments aligned with the EU taxonomy, so there is no alignment with the taxonomy for each item (0%)

- **Does the financial product invest in fossil gas and/or nuclear energy related**

activities that comply with the EU Taxonomy[1]?

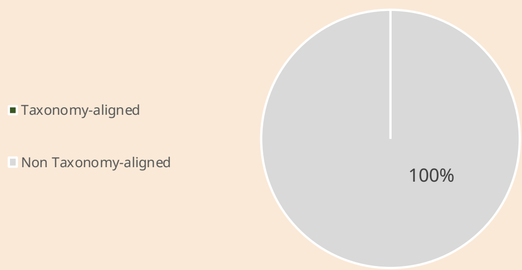
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

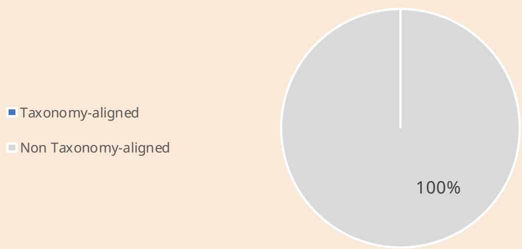
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds



2. Taxonomy-alignment of investments excluding sovereign bonds



This graph represents 100% of the total investments

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

As shown in the graphs above, percentage of Taxonomy alignment is equal to 0%.

What is the minimum share of investments in transitional and enabling activities?
This item is not applicable since the fund does not have sustainable investments which align with EU Taxonomy.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This item is not applicable since the fund does not have sustainable investments.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of socially sustainable investments?

This item is not applicable since the fund does not have sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Investments included under "#2 Other" equal to 69.1% because the fund does not include sustainable investments. "#2 Other" includes properties without green building certifications. Even if certification is not obtained, JMF will continue to implement operations for properties that meet environmental and social characteristics.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

IIF does not designate a reference benchmark.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***
  IIF does not designate a reference benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
  IIF does not designate a reference benchmark.

- ***How does the designated index differ from a relevant broad market index?***
  IIF does not designate a reference benchmark.

- ***Where can the methodology used for the calculation of the designated index be found?***
  IIF does not designate a reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Our overarching sustainability strategy can be found here:

Strategy; https://kjrm-sustainability.disclosure.site/en/themes/94/

IIF: https://iif-reit_sustainability.disclosure.site/en/