Disclaimer

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "AIFMD") as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

Netherlands

The units of Industrial & Infrastructure Fund Investment Corporation ("IIF" or the "AIF") 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, Mitsubishi Corp.-UBS Realty Inc. (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 the European Directive 2003/71/EC (the EU Prospectus Directive) as amended and implemented in Netherlands law. The AIFM is solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

United Kingdom

The international units are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has submitted a notification with the Financial Conduct Authority (the "FCA").

The international 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, or 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"),

and 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, purchase or otherwise acquire the international 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.

European Economic Area

The international units 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 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, or MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, or the Insurance Mediation Directive, 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 Directive 2003/71/EC, as amended, or the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended, or the PRIIPs Regulation, for offering or selling the international units or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the international units, or otherwise making them available, to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

<table>
<tr><th colspan="2">Article 23(1)(a)</th></tr>
<tr><td>Objectives of the AIF</td><td>The investment objective of Industrial & Infrastructure Fund Investment Corporation (“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.</td></tr>
<tr><td>Investment strategy</td><td>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.</td></tr>
<tr><td>Types of assets the AIF may invest in</td><td>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</td></tr>
<tr><td>Techniques it may employ and all associated risks</td><td>IIF seeks to achieve its investment objectives through a number of strategies including:
Stable cash flow based on long-term leases. IIF targets property owners and tenants who are currently using properties for their core business operations.
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 our 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 our profitability.
Tenant and portfolio diversification. IIF seeks to diversify its portfolio and tenant base through expanding the number and types of assets in our 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.
The principal 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;</td></tr>
</table>

	- 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; - competition for 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 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; 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; - 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; • 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. In addition, IIF is subject to the following risks: • risks relating to entering into forward commitment contracts; • risks relating to the defective title, design, construction of or other defects or problems relating to its properties; • risks relating to purchase of or commitment to purchase properties that are under development; • risks relating to reliance on expert appraisals and engineering, environmental, seismic and market reports, and industry and market data; • risks relating to the acquisition of buildings which violate earthquake resistance or other building codes and associated expenses; • risks relating to suffering impairment losses in respect of its properties; • risks relating to changes in the market for infrastructure properties, which may adversely affect IIF's ability to make cash distributions; • risks relating to the equipment of some of IIF's properties with photovoltaic facilities, which may be adversely affected by changes in the market for electricity; • risks relating to possible invalidity of or limitations to IIF's registered title to its current properties; • risks relating to possible recharacterisation of a purchased property as a second refinancing under Japanese law; • risks related to holding property as a leaseholder in the event of the insolvency of the owner or termination of the leasehold interest by the owner;

	• risks related to third party interests in the land underlying or buildings on IIF's properties; • risks relating to the cost of compliance with new or additional Japanese regulations relating to IIF's properties; • risks relating to the acquisition of interests in properties in the form of a co-ownership trust; • risks relating to holding property through compartmentalised ownership arrangements with other owners; • risks relating to making investments through Japanese anonymous associations (*tokumei kumiai*); • risks relating to IIF's holding of most of its properties through trust beneficiary interests; • risks relating to the customary distribution payout practice of J-REITs in comparison to those deemed necessary or fair in foreign markets; • risks relating to the limited control of unitholders over changes in IIF's investment policies; • risks relating to the differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation; • risks relating to unitholders being unable to require redemption of their units in a closed-ended J-REIT, except in the event of liquidation; • risk of dilution of unitholders as a result of future sales of units by IIF or major unitholders, or further issuances of units; • risks relating to the intervention in the J-REIT equity market by the Bank of Japan and consequent volatility in J-REIT unit prices; • risks relating to the dependence of IIF's success on the performance of service providers to whom key functions are required to be outsourced under the ITA; • risks relating to IIF's dependence on key personnel of the AIFM; • risks relating to IIF's redevelopment projects (including risks relating to development, permits, licenses, completion of construction, tenants, price fluctuations, interest rate fluctuations during development and major natural disasters, difficulties in attracting tenants or securing necessary financing, changes in restrictions applicable to real properties due to changes in law, discovery of objects buried in the ground of redevelopment sites, conflicts with neighborhoods during development, and other events); • risks relating to the strict supervision of J-REITS by the

	Japanese regulatory authorities and compliance with applicable rules and regulations; • risks relating to inconsistency or disagreement between IIF's interpretation of certain tax laws and regulations and the interpretation of the relevant governmental agencies • risks relating to changes in Japanese tax laws; and • risks relating to the possible subjection of unitholders to the U.S. Foreign Account Tax Compliance Act (FATCA) withholding tax after 2018.
Any applicable investment restrictions	IIF is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation. IIF must primarily invest in specified assets as defined in the ITA. 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 for securities or real estate, leaseholds of real estate or surface rights. Power plants for generation of renewable energy and management rights with respect to public facilities (each as defined in the relevant law) are recently included in specified assets. A J-REIT that lists its units on the TSE may only make investments permitted by the J-REIT listing rules of the TSE. Permitted investments 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. Pursuant to supervisory guidelines issued by the FSA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances. An investment by the investment corporation must be made in accordance with the basic investment policy set forth in its articles of incorporation. If an investment corporation's articles of incorporation permits the acquisition of its own units, with cash consideration, by agreement with the unitholders, the investment corporation may repurchase its own units with the approval of its board of directors, subject to certain restrictions on the acquisition price, requirements and procedures under the ITA and other related laws and regulations. IIF's articles of incorporation permit such acquisition of its own units. Except for such acquisition, the purchase by IIF of its own units is prohibited, with certain exceptions provided by the ITA.

	IIF's articles of incorporation also require it to manage its assets so that 75% or more of the total amount of Specified Assets (as described in Article 2, Paragraph 1 of the ITA) 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).
Circumstances in which the AIF may use leverage	IIF depends primarily on outside 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	Loans or corporate bonds. All of IIF's current borrowings are unsecured and it currently does not have any outstanding guarantees. 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, 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	Investors will be provided with information regarding changes to the rights for re-use of collateral under IIF's leveraging arrangements via

collateral and asset reuse arrangements	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	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. Our debt ratio as of January 31, 2019 was 50.1 . 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)	
Procedure by which the AIF may change its investment strategy / investment policy	Resolutions set out in Article 93-2, Paragraph 2 of the Act on Investment Trusts and Investment Corporations of Japan are 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) REVIEW	
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 legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	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 Mitsubishi Corporation or otherwise, other than the properties that it intends to acquire in connection with the offerings. *Trademark Licensing Agreement*. For the purpose of showing that the Asset Manager manages its assets, IIF has entered into a trademark licensing agreement with the Asset Manager pursuant to which IIF has the right to use the Mitsubishi Corp.-UBS Realty Inc. logo, which it may use together with its own tradename. 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)	
The identity of the	• AIFM (Asset Manager): Mitsubishi Corp.-UBS Realty Inc.

AIFM, AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights thereto	• Auditor: Ernst & Young ShinNihon LLC • Transfer Agent and Special Accounts Administrator: Mitsubishi UFJ Trust and Banking Corporation ("MUTB") • Custodian and General Administrator: Sumitomo Mitsui Trust Bank, Limited • Corporation Bondholders' Register: MUFG Bank, Ltd.
Article 23(1)(e)	
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)	
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. In addition, conflicts could arise from differences between the interests of the Asset Manager's two shareholders, Mitsubishi Corporation and UBS Asset Management AG, which, in the case of Mitsubishi Corporation, is also one of IIF's unitholders, or certain entities affiliated with Mitsubishi Corporation or UBS Asset Management AG, and the interests of other IIF unitholders. Moreover the Asset Manager manages the assets of another J-REIT and also has interests in an asset manager which manages a J-REIT focusing on office properties. (p.35 – Risk Factors)
Article 23(1)(g)	

Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets Our business – Operation and Property Management Policies – Methods, Standards and Reference Dates for Asset Evaluation p.129-130	J-REITs may only use the valuation methods prescribed in the rules of the ITAJ, which emphasize market price valuation. IIF evaluates its invested assets based on generally accepted accounting principles in Japan. IIF intends to maintain the credibility of its evaluations by strictly adhering to the principle of continuity and to carefully and diligently conduct its activities for the benefit of its investors. The asset evaluation methods and standards to be used will depend on the type of invested asset. Under IIF's articles of incorporation, the following asset evaluation methods and standards are currently in effect: *Real estate, surface rights and real estate leasehold rights.* Evaluation will be made at the value obtained by deducting the accumulated depreciation amount from the acquisition price. Depreciation, in principle, will be calculated on a straight-line basis for both the building and the facilities; provided, however, that if the calculation performed on a straight-line basis becomes inappropriate due to any justifiable reason, a different method may be used for such calculation, as long as it can reasonably be determined that no problems will arise with respect to the protection of investors. *Beneficiary interests in trust of money, real estate, surface rights or real estate leasehold rights.* Real estate, surface rights or real estate leasehold rights of the trust properties will be evaluated following the previous item, and the financial assets contained in the trust properties will be evaluated following generally accepted accounting principles. In case it is difficult to process the account as we directly own the trust property, the trust beneficiary interests will be evaluated by subtracting the total amount of trust liabilities from the total amount of trust properties to obtain the trust net asset value. *Equity interests in real estate silent partnerships.* Real estate assets of real estate silent partnerships will be evaluated following both of the items above. Financial assets of real estate silent partnerships will be evaluated following generally accepted accounting principles in Japan. The equity interests in real estate silent partnerships will then be evaluated on the basis of the acquisition value plus or minus the amount of equity interests in the net amount of the profit or loss of such real estate silent partnership. *Securities.* Listed securities will be evaluated based on the market price. For all other securities, as a general principle, evaluations will be made based on prices quoted by brokerage firms and similar sources. However, when there are no such quotes, as a general principle, we will

	evaluate all other securities based on the rules set forth by the ITAJ. *Monetary claims*. Evaluations will be made at the amount equivalent to the acquisition price less any allowance for bad debt; provided, however, that if the difference between the acquisition price and the face amount is deemed to be attributable to interest adjustment, the monetary claims that have been acquired at a price lower or higher than the face amount thereof will be evaluated at the amount equivalent to the value, as calculated based on the amortized cost method, less the allowance for bad debt. *Commercial paper.* Evaluations will be made at the amount equivalent to the acquisition price plus any accrued interest; provided, however, that if a material adverse change in the credibility were to occur, the commercial paper will be evaluated at the acquisition price, less the amount for bad debt. *Rights in derivative transactions.* In principle, derivative transactions will be evaluated based on fair market value. However, for those transactions that are certified as hedging transactions pursuant to generally accepted accounting principles, hedge accounting may be applied. Further, for those transactions accepted as interest rate swaps and currency futures, certain accounting principles permitted to evaluate such transactions may be applied. *Other.* Unless otherwise provided for above, the assets will be evaluated pursuant to the evaluation rules of the ITAJ or in accordance with generally accepted accounting principles. If another asset evaluation method is used other than that mentioned above to indicate values in a securities registration statement, annual securities report or asset management report, we evaluate assets in the following manner: *Real estate, surface rights and real estate leasehold rights.* Real estate, surface rights and real estate leasehold rights will be evaluated based on a discounted cash flow method. *Trust beneficiary rights in cash, real estate, surface rights or real estate leasehold rights.* While trust properties that are real estate, surface rights or real estate leasehold rights will be evaluated as described in the previous item, financial assets contained in the trust properties will be evaluated in accordance with generally accepted accounting principles. In case it is difficult to process the account as IIF directly owns the trust property,

	the trust beneficiary interests will be evaluated by subtracting the total amount of trust liabilities from the total amount of trust properties to obtain the trust net asset value. Equity interests in real estate silent partnerships. Real estate assets of real estate silent partnerships will be evaluated following both of the items above. Financial assets of real estate silent partnerships will be evaluated following generally accepted accounting principles in Japan. The equity interests in real estate silent partnerships will then be evaluated by subtracting the total amount of liabilities for equity interests in real estate silent partnerships from the total amount of assets for equity interests in real estate silent partnerships to obtain the net asset value of equity interests in the real estate silent partnerships. The reference date for asset evaluations, in principle, will be the last day of each fiscal period; however, in the case of securities or other assets, which may be evaluated at a value based on market price, the reference date will be the last day of each month. Net asset value per unit, based on the book values of IIF's assets, is to be presented in the notes to IIF's financial statements. IIF prepares such financial statements (including balance sheets and statements of income) for each fiscal period, as well as an asset management report and statements related to the distribution of cash, for approval by its board of directors. If approved by its board of directors, IIF's unitholders are to be notified of such approval, and all financial statements, along with an audit report, are to be delivered to IIF's unitholders without delay.
Article 23(1)(h)	
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, on June 30, 2015, IIF entered into a commitment line agreement with MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Mitsui Trust Bank for the total amount of ¥10 billion. On April 16, 2018, Mitsubishi UFJ Trust and Banking Corporation transferred its domestic corporate loan-related businesses to MUFG Bank, Ltd. through an absorption-type corporate split, and MUFG Bank, Ltd. succeeded to the portion of Mitsubishi UFJ Trust and Banking Corporation as the lender to domestic corporate loans. On June 27, 2018, the contract period of

	the commitment line with MUFG Bank, Ltd. and Sumitomo Mitsui Trust Bank, Ltd. was extended until June 30, 2021. As IIF is a closed-ended investment corporation, unitholders are not entitled to request the redemption of their investment.
Article 23(1)(i)	
Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors	*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 our 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 we acquire or dispose of assets set forth in Article 11, Items 1, 2, 4, or 6 of our 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 pay 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. 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 our 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 our total assets as of the end of the previous month as shown on our balance sheet or monthly trial balance, as the case may be.

Transfer Agent
IIF pays monthly standard 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 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 BTMU for services related to principal and interest payments made on its outstanding investment corporation bonds which BTMU makes on our 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 our Investment Corporation Bonds and the Administration of our Investment Corporation Bonds While Outstanding. IIF paid fees including national and local consumption tax thereon to BTMU 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.
Article 23(1) (j)	
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 unitholders in proportion to the number of units held.
Article 23(1) (k)	
The latest annual report referred to in Article 22(1)	Additional information may be found in our 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
Article 23(1) (l)	
The procedure and conditions for the issue and sale of the units	IIF is authorised under the articles of incorporation to issue up to 32,000,000 units. Its units have been listed on the Tokyo Stock Exchange since October 18, 2007. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange 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)	
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 Tokyo Stock Exchange 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)	
Details of the historical performance of the AIF, where available	The units of IIF were listed on the Tokyo Stock Exchange on October 18, 2007. The most recent five fiscal period performance of the units is as follows.

Fiscal Period	Total Assets (JPY million)	Total Net Assets (JPY million)	Total unitholders' equity per unit (base value) JPY
23rd Fiscal Period (August 1, 2018 to January 31, 2019)	289, 242	129,780	76,520
22nd Fiscal Period (February 1, 2018 to July 31, 2018)	289,221	129,765	76,514
21st Fiscal Period (August 1, 2017 to January 31, 2018)	261,500	116,483	293,906

		20th Fiscal Period (January 1, 2017to July 31, 2017)	261,999	117,008	295,304
		19th Fiscal Period (July 1, 2016 to December 31, 2016)	224,749	93,959	267,373

Article 23(1) (o)	
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	No applicable prime broker.
Article 23(1) (p)	
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 AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and other public disclosures.
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge	Not applicable.

itself of liability in accordance with Article 21(13)	
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
Article 23(4)(a)	
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)	
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	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

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).	
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 length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and	There are no voting or other restrictions on the rights attaching to units.

suspensions shall be included	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks	IIF's fundamental policy is to plan and implement a stable and efficient financial strategy to secure a stable profit and achieve sustainable growth of the properties owned. Debt and equity finance: During the period August 1, 2018 to January 31, 2019, IIF raised no funds by means of debt financing. The total amount of interest-bearing debt as of January 31, 2019 was 144,800 million yen, which was comprised of 134,800 million yen in long-term loans (including long-term loans to be repaid within one year), and 10,000 million yen in investment corporation bonds. ancing During this fiscal period, IIF raised no fund by means of equity financing. Financial strategy: 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 amounts 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. During the period August 1, 2018 to January 31, 2019, the percentages of long-term and fixed-interest rate borrowings were 100% and 100%, respectively, with an average applicable interest rate of 0.95% and an average of 6.0 years remaining until maturity. The loan to value (LTV) rate was 50.1%. IIF will continue to aim to establish a stable financial position over the long term through an asset liability management (ALM) strategy for procurement of long-term, fixed-interest rate loans together with a long-term, stable portfolio. As of January 21, 2019, IIF had 134,800 yen of long term loans, hedged by interest rate swaps and 10,000 yen of investment corporation bonds.
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	No such situation has occurred.

likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	
Article 23(5)(a)	
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 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 new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
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	Investors will be provided with information regarding changes to: (i) the rights for re-use of collateral under our leveraging arrangements; (ii) any guarantee granted under our leveraging arrangements; or (iii) 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)	
Information on the total amount of leverage employed by the AIF calculated in accordance	The aggregate amount of debt with interest is JPY 144,800 million as of January 31, 2019.

with the gross and commitment methods	