

Industrial & Infrastructure Fund Investment Corporation

May 31, 2022

To all concerned parties:

Investment Corporation
Industrial & Infrastructure Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 3249)
Representative: Kumi Honda, Executive Director
URL: <https://www.iif-reit.com/english/>
Asset Management Company
KJR Management
Representative: Naoki Suzuki,
President & Representative Director
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Notice Concerning Election of Directors and Organizational Changes at the Asset Manager

Industrial & Infrastructure Fund Investment Corporation (“IIF”) announced that the appointment of two new directors for KJR Management, the Asset Management Company of IIF (Former name: Mitsubishi Corp.-UBS Realty Inc.)(hereafter the “Asset Manager”) were approved today at the extraordinary general meeting of shareholders, and that organizational change and changes to the decision-making organization for asset management at the Asset Manager were approved on the same day at the meeting of the Board of Directors.

1. Election of directors at the Asset Manager

(1) New directors (effective on June 1, 2022)

Director : Daisuke Hiramoto (Part-time) (Brief biography is as shown in Attachment 1)
Director : Kensuke Kudo (Part-time) (Brief biography is as shown in Attachment 1)

2. Organizational change and Changes to the decision-making organization for investment management at the Asset Manager

The Asset Manager has decided at the Board of Directors held today to newly establish the Senior Advisory Board as of June 1, 2022. In relation to the establishment of the Senior Advisory Board, organization structure and the decision-making mechanism for investment management will be changed as well.

Please refer to the "Explanatory Materials" in the Attachment 2 for the organizational structure and the decision-making mechanism for investment management after establishment of the Senior Advisory Board.

Regarding the above changes, the Asset Manager will follow procedures required under Financial Instruments and Exchange Act, Building Lots and Buildings Transaction Business Act and other applicable laws and regulations.

This English language release is for informational purposes only, and the Japanese language release should be referred to as the original.

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Attachment 1

As of May 31, 2022

Job Title	Name	Brief Biography
Director (Part-time)	Daisuke Hiramoto	Jun. 2019 Director, KKR Japan (present post) Jun. 2022 Part-time Director, KJR Management (scheduled)

Job Title	Name	Brief Biography
Director (Part-time)	Kensuke Kudo	May 2022 Director, KKR Japan (present post) Jun. 2022 Part-time Director, KJR Management (scheduled)

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Attachment 2 Explanatory Materials

On June 1, 2022, “Part 1, Fund Information, Item 1. Status of Fund, 1. Overview of the Investment Corporation (4) Organization of the Investment Corporation II Investment Corporation Management Structure”, “Part 1, Fund Information, Item 1. Status of Fund, 1. Overview of the Investment Corporation (4) Organization of the Investment Corporation II Investment Corporation Management Structure III Decision-Making Mechanism for Investment Management” and “Part 2, Detailed Information on the Investment Corporation, Item 3. Management and Administration II Restrictions on Transactions with Interested Parties” of the securities report filed on April 27, 2022 will be revised as below.

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Part 1, Fund Information

Item 1. Status of Fund

1. Overview of the Investment Corporation

(4) Organization of the Investment Corporation

II Investment Corporation Management Structure

(omitted)

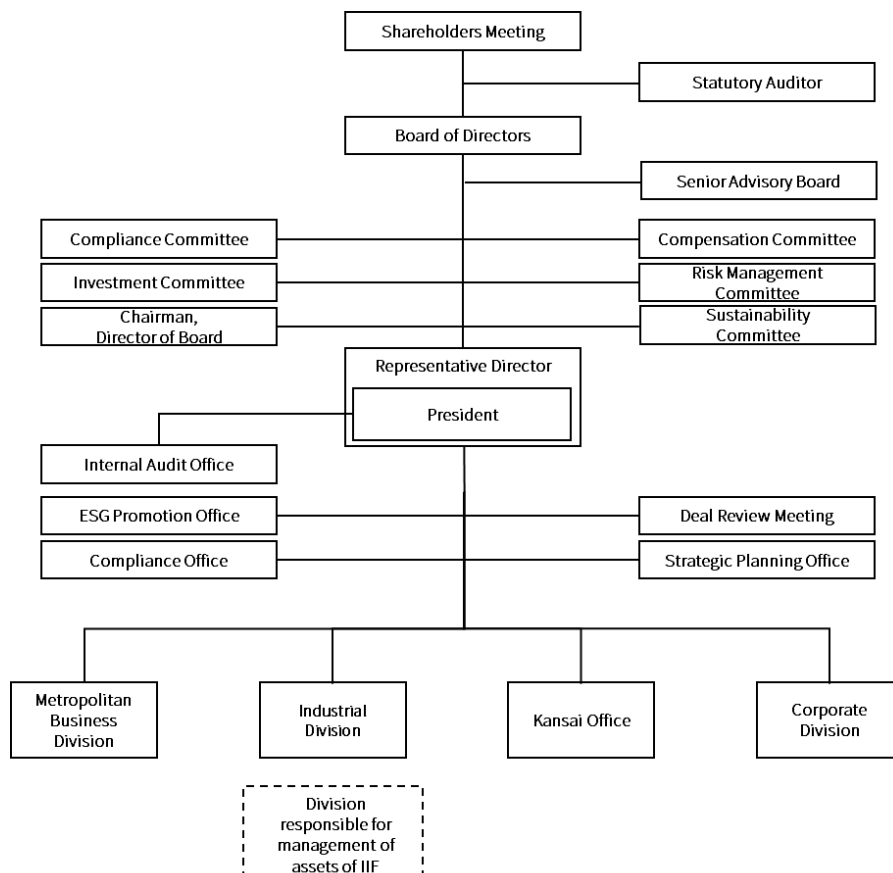
b. Securing Independence in Investment Decision-Making

In the internal structure, making decisions on asset management for investment corporations that have consigned services to the Asset Manager requires confirmation from the Asset Manager’s President and Representative Director and the Investment Committee’s approval as described in “III Decision-Making Mechanism for Investment Management” and, in some cases, the approval of the Compliance Committee, the Senior Advisory Board and the Board of Directors. Any decision by the President and Representative Director on whether to give confirmation and any decision by the Investment Committee, the Compliance Committee, the Senior Advisory Board, and the Board of Directors on whether to give approval is examined solely from the perspective of whether or not the decision is appropriate as a decision made by a division of the Asset Manager to which an investment corporation consigns services, without taking into consideration the situation of other divisions of the Asset Manager to which the other investment corporation consigns services.

(omitted)

(A) Management Structure

The organizational structure for the Asset Manager’s business management is as follows:



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(B) System for Division of Duties

(omitted)

Organization	Outline of Duties
Strategic Planning Office	
Business Relating to Strategic Planning	<ul style="list-style-type: none"> i. Matters relating to strategic/long-term goals and formulation, implementation, monitoring, and reporting of the strategic plans ii. Matters relating to overall resource allocation and organization iii. Matters relating to formulation of budgetary policies of the Asset Manager iv. Matters relating to strategic analysis and support on major institutional issues v. Matters relating to the Asset Manager’s presence in the real estate industry and liaison with government, business, and industry leaders vi. Matters relating to identification of emerging issues in domestic and global arenas that have potential impact on the Asset Manager and strategic recommendation to deal with such issues vii. Matters relating to new business/product development and implementation management viii. Matters relating to provision of management information ix. Matters relating to stocks, shareholders, and the General Meeting of Shareholders x. Matters relating to approval authority xi. Matters relating to the Board of Directors xii. Matters relating to the Senior Advisory Board xiii. Matters relating to secretarial services xiv. Supporting business concerning real estate investment management of the Investment Corporation xv. Liaison with industrial/lobby groups including the Association for Real Estate Securitization (ARES) and JITA except for the liaison with the audit division and for various notifications, etc. and monthly financial reports of JITA xvi. Public relations liaison for interviews by newspapers and magazines, applications for events, etc. xvii. Matters relating to the Asset Manager’s websites and disclosure of information xviii. Matters relating to risk management related to the above xix. Matters relating to government agencies with jurisdiction over the industry on matters related to the above xx. Preparation and maintenance of internal rules and regulations related to the above xxi. Other matters related to the above

(omitted)

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(C) Committee Outline

(omitted)

a. Investment Committee

(omitted)

Committee Members	<p>The President shall be the Chairman of the Committee and full-time directors, executive officers, the head of Compliance Office, external real estate appraiser and other persons appointed by the Chairman shall serve as members. Provided, however, a member who has a special interest in the resolution may not participate in the vote.</p> <p>If the President is unable to attend a Committee meeting due to accident or other reason, one of the other members shall act as the Chairman of the Committee in such an order as prescribed by a resolution of the Committee in advance.</p> <p>If an executive officer is unable to attend a Committee meeting in person due to accident or other reason, that executive officer may appoint the head of division or office to which he/she belongs as his/her proxy and have the proxy attend the meeting. If the head of Compliance Office is unable to attend a Committee meeting in person due to accident or other reason, he/she may appoint a proxy and have the proxy attend the meeting.</p> <p>Statutory Auditors may attend Committee meetings and express their opinions. The Chairman may invite internal and external experts and professional advisors to Committee meetings as observers as necessary.</p>
Deliberated Matters	<p style="text-align: center;">(omitted)</p> <p>v. Others</p> <ul style="list-style-type: none"> (i) Matters concerning a merger or dissolution of the Investment Corporations (ii) Matters concerning the asset management entrustment agreement with the Investment Corporations (iii) Matters concerning initiation or resolution of conciliation or litigation (iv) Appointment of an accounting auditor (<i>kaikei kansanin</i>) (v) Other matters not included in the foregoing matters for deliberation that are to be submitted to the Board of Directors or the Senior Advisory Board (excluding decisions concerning clauses included in the Articles of Incorporation of the Investment Corporations, appointments of officers, and any amendments thereof) (vi) Matters for which deliberation is deemed necessary by the Chairman

(omitted)

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(D) Senior Advisory Board

The Asset Manager established the Senior Advisory Board as a decision-making body for business execution policy and as a body that shares information and carries out discussions relating to management of the Asset Manager and of the investment corporations that have consigned services to the Asset Manager.

The composition, deliberation methods, and other information about the Senior Advisory Board is as follows:

Members	<p>The Senior Advisory Board shall be made up of directors with the President and Representative Director acting as chairman and the members other than the President and Representative Director made up of full-time director, and part-time directors designated by the Board of Directors (“Member Directors”).</p> <p>The chairman may, as necessary, invite an expert or a specialist from inside or outside of the Company to attend a meeting of the Senior Advisory Board as an observer.</p> <p>Statutory auditors may attend meetings of the Senior Advisory Board and express their opinions when they deem it is necessary to do so.</p>
Deliberated Matters, Etc.	<p>The Senior Advisory Board (i) adopts resolutions regarding matters relating to asset-management business and management of investment corporations that have consigned services to the Asset Manager pursuant to asset management agreements executed with such investment corporations, including the acquisition, disposal, and the like of assets for which a single transaction is in an amount of not less than JPY 8 billion and less than JPY 60 billion and important matters (excluding matters requiring a Board of Directors resolution) relating to the Asset Manager’ management and (ii) carries out appropriate information sharing and discussions relating to management of the Asset Manager and of investment corporations that have consigned services to the Asset Manager.</p>
Deliberation Methods, Etc.	<p>Except as otherwise required by provisions of laws and ordinances, a resolution of the Senior Advisory Board shall be adopted by a majority vote of the directors present who must number a majority of the total number of Member Directors. Provided, however, Any director who has an interest in such resolutions may not participate in the adoption of such resolutions, and, in respect to such resolutions, such director shall not be counted in the number of directors present or Member Directors.</p> <p>In the case that all Member Directors have consented in writing or by electromagnetic record to the matters which require a resolution by the Senior Advisory Board, the Asset Manager may deem that the Senior Advisory Board has approved such matters without holding an actual Board meeting.</p>

(E) Deal Review Meeting

The Asset Manager established the Deal Review Meeting as a body to review whether or not information regarding investment target assets are appropriately distributed in a form that conforms with internal rules to the Industrial Division or to the Metropolitan Business Division. The Deal Review Meeting prevents the arbitrary distribution of disposal information regarding real estate and the like to avoid conflicts of interest that might arise with investment corporations that have consigned services to the Asset Manager, and the purpose of the Deal Review Meeting is to secure fidelity of the Asset Manager for investment corporations that have consigned services to the Asset Manager.

(omitted)

(F) Sustainability Committee

The purpose of the Sustainability Committee is to adopt resolutions and report on matters (excluding matters that are dealt with by the Investment Committee) relating to policy, strategy, structure, and the like pertaining to sustainability of the Asset Manager and of investment corporations that have consigned services to the Asset Manager. Further, the Sustainability Committee also functions as a body that shares information on the status of activities, valuation results, analyses, and the like relating to the sustainability of investment

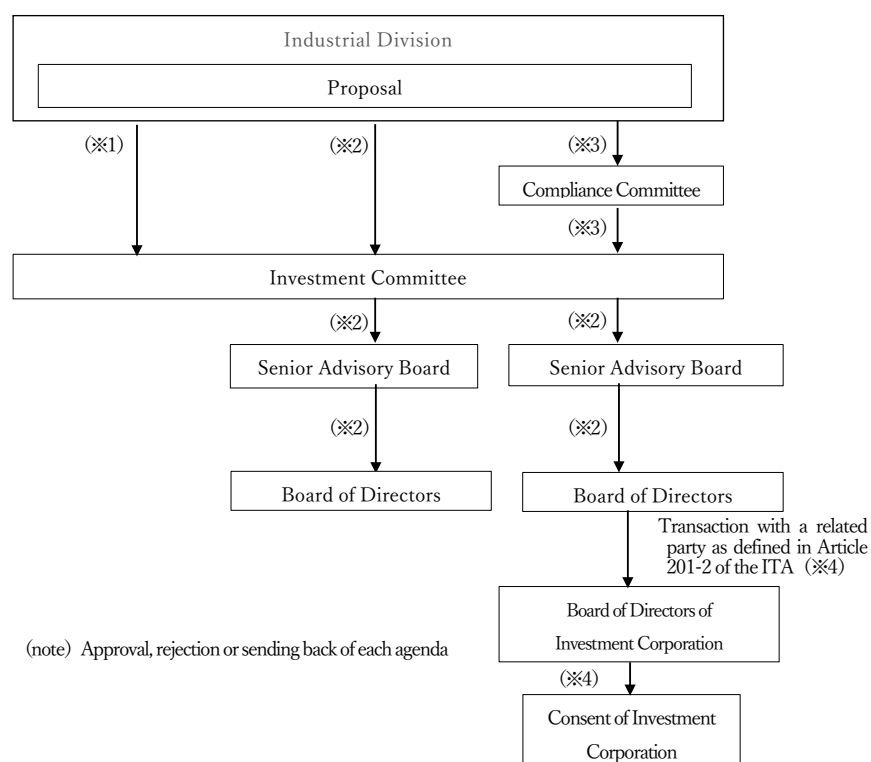
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corporations that have consigned services to the Asset Manager.

(omitted)

III Decision-Making Mechanism for Investment Management

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 in accordance with the Guidelines for the Investment Committee, Rules of the Senior Advisory Board (the “Senior Advisory Board Rules”) and the Rules of the Board of Directors (the “the Rules of the Board of Directors.”). Furthermore, in the course of making decisions regarding investment policies and standards, operation and management policies and standards, budget, and financing of the investment corporations, the Investment Committee makes decisions, and a proposal is submitted to the Senior Advisory Board for approval in accordance with the Senior Advisory Board Rules. If a transaction constitutes a transaction (see “Part 2 Detailed Information on the Investment Corporation Item 3. Management and Administration 2 Restrictions on Transactions with Interested Parties (2) Rules for Conflict-of-Interest Transaction Relating to Investment Corporations” below) between stakeholders (hereinafter in this Section III, “**Stakeholders**”) stipulated in the Regulations for Transactions with Stakeholders of the Asset Manager, the Compliance Committee must first adopt resolutions before the Investment Committee makes decisions (excluding transactions that meet certain minor requirements as stipulated in the Regulations for Transactions with Stakeholders, (“**Minor Transactions**”). In addition, if a transaction to be executed involves the acquisition, disposal, or lending of securities (defined in “ 2 Investment Principles a. Class of Asset to be Investment Target (i) Special Assets of the Principal Investment Target (Article 12 of the Articles of Incorporation) (a) XI” below and the same shall apply hereafter)or real estate between any investment corporation and a related party of the like of the Asset Manager as stipulated in Article 201(1) of the Investment Trust Act (“ITA”), then, subsequent to the Compliance Committee adopting a resolution and the Investment Committee adopting a resolution, the Investment Corporation’s consent must, by the time the transaction is executed, be obtained based on the approval of the Board of Directors of the Investment Corporation, except in certain cases in which it is determined that the transaction will have a minor impact on the Investment Corporation’s assets.



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- *1: For matters relating to the acquisition, disposal (limited to acquisition, disposal, and the like of assets in which a single transaction is in an amount of less than JPY 8 billion), and operation and management of assets, the Investment Committee's approval is obtained based on the Guidelines for the Investment Committee.
- *2: With regard to investment policies and standards; operation and management policies and standards; budget; financing; and the acquisition, disposal, and the like of assets for which a single transaction is in an amount of not less than JPY 8 billion and less than JPY 60 billion, approval of the Investment Committee and of the Senior Advisory Board is obtained in accordance with the Guidelines for the Investment Committee and the Senior Advisory Board Rules. In addition, with regard to the acquisition, disposal, and the like of assets for which a single transaction is in an amount of not less than JPY 60 billion, approval of the Board of Directors is obtained in accordance with the Rules of the Board of Directors.
- *3: For matters relating to transactions with stakeholders, in addition to the procedures stipulated in *1 and *2 above, approval is obtained from the Compliance Committee in accordance with the Regulations for Transactions with Stakeholders and the Compliance Committee Rules. However, if the transaction constitutes a Minor Transaction, approval of the Compliance Committee is not required, and approval of the Representative Director (if the Representative Director has a vested interest, then of the Head of the Compliance Office) is obtained.
- *4: For matters relating to transactions with related parties or the like as defined in Article 201-2(1) of the ITA, in addition, approval of the Board of Directors of the Investment Corporation and the consent of the Investment Corporation based on such approval is obtained. However, if a transaction is determined to be a transaction that will have a minor impact on the Investment Corporation's assets under the Ordinance for Enforcement of the ITA, approval of the Board of Directors of the Investment Corporation and consent of the Investment Corporation based on such approval is not required.

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- i. For matters pertaining to investment policies and standards; operation and management policies and standards; budget; financing; and acquisition, disposal, and management of assets of the investment corporations, the Head of the Industrial Division makes a proposal to the Investment Committee. The person making the proposal requests the executive office to call a meeting of the Investment Committee and prepares an agenda and related materials for the meeting.
- ii. When the executive office receives a request to hold an Investment Committee meeting, it notifies committee members of the date and time at which the meeting will be held, the method by which the meeting will be held, and proposed matters and thereby summons committee members.
- iii. Before holding an Investment Committee meeting, the person making the proposal submits proposal documents to which material relating to price verification is attached. After confirming the content of the proposal documents and actual materials forming the basis of those proposal documents and making inquiries, etc., (including about the background to the acquisition and the proposal's scheme) pertaining to compliance with laws, ordinances, and the like to the person making the proposal, the Compliance Office submits to the Investment Committee Chairman and each Investment Committee member a written opinion that clearly states his/her opinion's basis, reasons, background, and the like.
- iv. The Investment Committee deliberates on comprehensive risks to the entire portfolio, return on investment, and the like of proposals, and decides by resolution voted by Investment Committee members whether to adopt the proposal. To adopt a resolution, the Investment Committee Chairman and a majority of Investment Committee members who can participate in voting must be present, a vote must be conducted in the presence of at least two thirds of participants other than the person making the proposal, and any Investment Committee member with a special interest with respect to the resolution cannot participate in the voting. However, the Investment Committee Chairman and an outside real estate appraiser must be present for the resolution to be valid. (The outside real estate appraiser does not have to be present for deliberated matters pertaining to account settlement and financing.) The Head of the Compliance Office is entitled to reject a resolution if he/she judges that the proposal does not comply with internal rules, laws or ordinances, regulations, or the like. Furthermore, for matters stipulated in the Senior Advisory Board Rules (such as investment policies and standards, operation and management policies and standards, budget, and financing the investment corporation), the approval of the Senior Advisory Board is required in addition to the approval of the Investment Committee. In addition, for matters relating to transactions (excluding Minor Transactions) with Stakeholders, it is necessary to obtain approval from the Compliance Committee in addition to approval from the Investment Committee, and, in principle, those approvals must be obtained before holding the Investment Committee meeting. If the first application or the policy application stipulated in vi. and vii. below will be made, the Compliance Committee will adopt a resolution, and for that resolution, in principle, the matters must be proposed to the Investment Committee in advance.
- v. If the Investment Corporation is to execute a transaction involving the acquisition, disposition, or lending of securities or real estate with a related party or the like (meaning a party as stipulated in Article 201(1) of the ITA) of the Asset Manager, then, the consent of the Investment Corporation based on the approval of the Investment Corporation's Board of Directors must, by the time the transaction is executed, be obtained, except in certain cases stipulated in the Ordinance for Enforcement of the ITA as transactions that will have a minor impact on the Investment Corporation's assets.
- vi. A person making the proposal for a matter relating to an acquisition or disposal of assets makes a first application and a second application. The person making the proposal clarifies items that require a response to execute the proposal ("**Items Needing A Response**") and facilitates it by making a proposal as a first application. For the proposal for which a first application is made, basically, it is assumed that preferential negotiating rights are acquired from the seller, etc. In the case that procedures which accompany moral obligations in light of commercial practices are to be carried out before the proposal is executed, if, after closely examining the proposal, it is clear that Items Needing A Response can be responded to and no new items needing a response are found, the person making the proposal makes a re-proposal as a first application and obtains the Investment Committee's approval. Furthermore, if, after

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closely examining the proposal, it is clear that Items Needing A Response can be responded to and no new items needing a response are found, the person making the proposal makes a second application for executing the proposal and if the Investment Committee's approval is obtained, then procedures accompanying legal obligations may be carried out. However, if the Senior Advisory Board's approval pursuant to the Senior Advisory Board Rules or the Board of Directors' approval pursuant to the Rules of the Board of Directors is required, approval of the Senior Advisory Board/Board of Directors must be obtained.

(omitted)

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Part 2, Detailed Information on the Investment Corporation

Item 3. Management and Administration

2. Restrictions on Transactions with Interested Parties

(omitted)

(2) Rules for Conflict-of-Interest Transaction Relating to the Investment Corporation

(omitted)

(D) The resolutions of the Compliance Committee and the Investment Committee

When engaging in the transactions listed below with the Stakeholders (excluding minor transaction), resolutions of the Compliance Committee and the Investment Committee shall be required.

- a. Acquisition of assets
- b. Transfer of assets
- c. Lease of Real Estate, etc.
- d. Outsourcing of agency services for sale and purchase and lease of Real Estate, etc.
- e. Outsourcing of real estate management services
- f. Financing and associated derivative transactions
- g. Order of construction work
- h. Outsourcing of services
- i. Lease of securities

When engaging in a minor transaction with the Stakeholders, an approval by the representative director (or, when the representative director has interests in the transaction, the head of Compliance Office) shall be required. In addition, if the Investment Corporation is to execute a transaction involving the acquisition, disposition, or lending of securities or real estate with a related party or the like (meaning a party as stipulated in Article 201(1) of the ITA) of the Asset Manager, then, subsequent to approval by the Compliance Committee and the Investment Committee, the consent of the Investment Corporation based on the approval of the Investment Corporation's Board of Directors must, by the time the transaction is executed, be obtained, except in certain cases stipulated in the Ordinance for Enforcement of the ITA as transactions that will have a minor impact on the Investment Corporation's assets.

(E) Acquisition of Assets

- a. The acquisition price of Real Estate, etc., upon acquisition from Stakeholders, shall, in principle, be set at or below the appraisal price determined by one or more independent real estate appraisers. When the acquisition price exceeds such appraisal price, the head of the Drafting Division or Department shall explain reasons which justify the acquisition at a price exceeding such appraisal price at meetings of the Investment Committee where such matter has been discussed, and the Investment Committee shall have discussion and deliberation, taking such explanation into account. Provided, however, the acquisition price mentioned in this paragraph means the price of the Real Estate, etc. themselves, and does not include the acquisition expenses, expenses required to create the trust and term proportional distribution amounts due (i.e. fixed property taxes) which are not subject to the appraisal price.

(omitted)

(F) Transfer of Assets

- a. The transfer price upon transfer of Real Estate, etc. to Stakeholders shall, in principle, be set at or above the appraisal price determined by independent real estate appraisers. When the transfer price falls below such appraisal price, the head of the Drafting Division or Department shall explain reasons which justify

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the transfer at a price below such appraisal price at meetings of the Investment Committee where such matter has been discussed, and the Investment Committee shall have discussion and deliberation, taking such explanation into account. Provided, however, the transfer price mentioned in this paragraph means the price of the Real Estate, etc. themselves, and does not include the disposition expenses and term proportional distribution amounts due (i.e. fixed property taxes) which are not subject to the appraisal price.

(omitted)

(M) Alternative Procedures

When services provided in items from (H) to (L) above are outsourced to Stakeholders, if it is difficult to obtain estimates and opinions from third parties defined in such items, the Company shall determine the outsourcing or renewal to such Stakeholders and its conditions, and shall obtain approval from the Investment Committee after giving reasonability of rationale to outsource such services to the Stakeholders on such terms and conditions to the said committee.

(omitted)