

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2014

August 18, 2014

| | |
|---|---|
| Name of issuer: | Industrial & Infrastructure Fund Investment Corporation ("the Investment Corporation") |
| Stock exchange listing: | Tokyo Stock Exchange |
| Securities code: | 3249 |
| Website: | http://www.iif-reit.com/ |
| Representative of the Investment Corporation: | Yasuyuki Kuratsu, Executive Director |
| Name of asset manager: | Mitsubishi Corp.-UBS Realty Inc. |
| Representative of the asset manager: | Toru Tsuji, President & CEO |
| Contact: | Toshiaki Fukai, Head of Industrial Division Tel: (03)5293-7091 |
| Scheduled date for filing of securities report: | September 25, 2014 |
| Scheduled date for distributions payment: | September 18, 2014 |
| Supplementary materials for financial results: | Otherwise prepared |
| Analyst meeting: | Scheduled |

(Amounts of less than one million yen are rounded down)

1. Financial results for the six months ended June 30, 2014 (January 1, 2014 to June 30, 2014)

(1) Operating results

(Percentages show period-on-period changes)

| | Operating revenues | | Operating income | | Ordinary income | | Net income | |
|--|--------------------|-----|------------------|------|-----------------|-----|-----------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| For the six months ended June 30, 2014 | 6,576 | 8.9 | 3,640 | 10.0 | 2,733 | 8.9 | 2,750 | 9.6 |
| December 31, 2013 | 6,037 | 4.2 | 3,308 | 2.3 | 2,510 | 2.6 | 2,509 | 2.6 |

| | Net income per unit | Return on unitholders' equity | Ratio of ordinary income to total assets | Ratio of ordinary income to operating revenues |
|--|---------------------|-------------------------------|--|--|
| | Yen | % | % | % |
| For the six months ended June 30, 2014 | 16,789 | 3.5 | 1.5 | 41.6 |
| December 31, 2013 | 16,042 | 3.4 | 1.4 | 41.6 |

(2) Distributions

| | Distributions (excluding distributions in excess of profit) | | Distributions in excess of profit | | Payout ratio | Ratio of distributions to net assets |
|--|--|-----------------|--------------------------------------|-----------------|--------------|--------------------------------------|
| | Per unit | Total | Per unit | Total | | |
| | Yen | Millions of yen | Yen | Millions of yen | % | % |
| For the six months ended June 30, 2014 | 16,617 | 2,750 | 0 | 0 | 100.0 | 3.4 |
| December 31, 2013 | 16,043 | 2,509 | 0 | 0 | 100.0 | 3.4 |

Note: Payout ratio for the six months ended June 30, 2014 is calculated by following formula as new investment units were issued during the period.

$$\text{Payout ratio} = \text{Total of distributions} \div \text{Net income} \times 100$$

(3) Financial position

| | Total assets | Net assets | Ratio of net assets to total assets | Net asset value per unit |
|---------------------|-----------------|-----------------|-------------------------------------|--------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2014 | 190,840 | 82,004 | 43.0 | 495,397 |
| December 31, 2013 | 175,150 | 74,827 | 42.7 | 478,341 |

(4) Cash flows

| | Net cash provided by (used in) | | | Cash and cash equivalents at end of period |
|--------------------------|--------------------------------|----------------------|----------------------|--|
| | Operating activities | Investing activities | Financing activities | |
| For the six months ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| June 30, 2014 | 3,513 | (18,454) | 11,771 | 6,484 |
| December 31, 2013 | 3,656 | (290) | (2,447) | 9,653 |

2. Outlook for the six months ending December 31, 2014 (July 1, 2014 to December 31, 2014)

(Percentages show period-on-period changes)

| | Operating revenues | | Operating income | | Ordinary income | | Net income | |
|---------------------------|--------------------|-----|------------------|-----|-----------------|-----|-----------------|-----|
| For the six months ending | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| December 31, 2014 | 6,798 | 3.4 | 3,696 | 1.5 | 2,790 | 2.1 | 2,789 | 1.4 |

| | Net income per unit | | Distributions per unit (excluding distributions in excess of profit) | | Distributions in excess of profit per unit | |
|---------------------------|---------------------|--|---|--|---|--|
| For the six months ending | Yen | | Yen | | Yen | |
| December 31, 2014 | 16,850 | | 16,850 | | 0 | |

3. Others

(1) Changes in accounting policies and accounting estimates or restatements

Changes in accounting policies due to accounting standards revision: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatements: None

(2) Number of units issued

Number of units issued at end of period (including treasury units):

As of June 30, 2014 165,532 units

As of December 31, 2013 156,432 units

Number of treasury units at end of period:

As of June 30, 2014 0 unit

As of December 31, 2013 0 unit

Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 21.

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “2. Management policy and results of operation, (2) State of operation, B. Outlook for the next period” on page 5-7.

1. Summary of related corporations of the Investment Corporation

There have been no significant changes to the “structure of the investment corporation” since the most recent financial report (submitted March 27, 2014), and hence, description of these matters is omitted.

2. Management policy and results of operation

(1) Management policies

There have been no significant changes to the “investment policies”, “investment targets” and “distribution policies” in the most recent financial report (submitted March 27, 2014), and hence, description of these matters is omitted.

(2) Operations

A Operations during the period

i. Major developments and management performance of IIF

IIF was established on March 26, 2007 based on “Act on Investment Trust and Investment Corporation” (hereinafter referred to as “Investment Trust Law”) and became listed on the J-REIT market of the Tokyo Stock Exchange on October 18, 2007 (ticker code: 3249). Based on the principle of aiming to “invest in social infrastructure as a source of power for the Japanese economy and support Japan’s industrial activities from a perspective of real estate,” IIF invests and manages logistics facilities, manufacturing and research and development (R&D) facilities, and infrastructure facilities which play a vital role in various industrial activities as the only listed J-REIT specializing in industrial properties.

IIF has continued to mark steady growth since it began investment operations in 2007 when it acquired nine properties for the total acquisition price of 66,000 million yen. IIF owned 36 properties whose total acquisition price amounted to 182,089 million yen as of June 30, 2014.

ii. Investment environment and management performance

Japan’s economy is growing steadily, driven by a new government economic policy called Abe-nomics (started in December 2012), a quantitative and qualitative easing policy of the Bank of Japan (started in April 2013), and recoveries of overseas markets. Consumer spending is also growing steadily, supported by growing corporate earnings and recovering employment and income. Although the increase of the consumption tax rate in April 2014 has affected the economic situation in the short term, Japan’s economy is expected to recover steadily in the long run.

The J-REIT market is growing steadily with strong demand mainly from mutual funds, and the TSE REIT Index exceeded 1,600 points. Equity financing by J-REIT remained at a high level, although it is slower compared to 2013 which raised a total equity of over 1 trillion yen.

Given such an environment, IIF has continued to pursue property-sourcing activities based on a Corporate Real Estate (CRE) proposal, an approach with which IIF has strengths. IIF acquired following eight properties (16,604 million yen in total acquisition price): IIF Narashino Logistics Center II (land with leasehold interest) for an acquisition price of 1,200 million yen, IIF Misato Logistics Center for an acquisition price of 3,550 million yen, IIF Iruma Logistics Center for an acquisition price of 3,184 million, IIF Tosu Logistics Center for an acquisition price of 1,570 million, IIF Inzai Logistics Center for an acquisition price of 1,060 million yen, IIF Morikoka Logistics Center for an acquisition price of 600 million yen, and IIF Nagoya Port Tank Terminal (land with leasehold interest) for an acquisition price of 1,900 million yen in February 2014; and IIF Hiroshima Logistics Center for an acquisition price of 3,540 million yen in March 2014.

In addition, after acquiring IIF Kawasaki Science Center (land) on February 7, 2013, IIF has been constructing the building in cooperation with Johnson & Johnson K.K. Medical Company, and acquired IIF Kawasaki Science Center (building) for an acquisition price of 1,641 million yen upon completion.

As a result, the properties IIF owned as of June 30, 2014 consisted of 23 logistics facilities, seven infrastructure facilities and six manufacturing, R&D and other facilities whose total acquisition price amounted to 182,089 million yen. The total leasable area as of June 30, 2014 was 763,350.76 m², and the average occupancy rate was 98.8%.

iii. Funding

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.

As with the previous year, in February and March 2014, IIF raised 7,000 million yen by issuing new investment units for funding for acquisition of new properties, aiming to continue external growth that realizes "increased distributions" and "growth in NAV" by property acquisition activities based on the CRE proposal. As a result, as of the end of the current period, the total number of outstanding investment units increased by 9,100 to 165,532.

As for funding for interest-bearing debt for the current period, IIF raised 7,400 million yen in total; 3,800 million yen and 3,600 million yen on February 6, 2014 and March 13, 2014, respectively, for property acquisition in line with the issuance of new investment units as mentioned above. While lengthening borrowing periods by taking out long-term borrowings with an average borrowing period of 10.1 years, IIF improved its financial stability by concluding an interest rate swap agreement to fix the interest rate. In addition, IIF invited Nishi-Nippon City Bank, Ltd. as a new lender to further diversify lenders.

Also, IIF concluded a commitment-type term loan agreement (maximum borrowing limit: 10,000 million yen) with the Development Bank of Japan as of January 15, 2014. Except for the point that the term of agreement is extended from three years to four years, this agreement is the same as the one concluded as of February 21, 2011. This agreement allows IIF to continue flexibly taking out fixed-rate borrowings for seven years. IIF aims to further increase the level of distributions by utilizing this framework and making sure to seize attractive investment opportunities.

Furthermore, IIF succeeded in issuing public offering investment corporation bonds (10-year, 2,000 million yen) in June 2014, the third time for IIF, which turned out to be the funding with the most favorable conditions in the history of J-REIT (10-year bonds) at the time of issuance. With the funds raised as a resource, on June 30, 2014, IIF repaid the debt of 2,000 million yen with the remaining term of 0.5 years in advance of maturity. This refinancing leads to reduction in debt cost and contributes to further improve the level of distributions.

As a result of the above, the balance of interest bearing debt as of June 30, 2014 amounted to 96,400 million yen, including long-term borrowings of 84,400 million yen and investment corporation bonds of 12,000 million yen.

iv. Overview of financial results and distribution

As a result of the abovementioned management activities, IIF recorded operating revenue of 6,756 million yen, operating income of 3,640 million yen, ordinary income of 2,733 million yen and net income of 2,750 million yen for the current period. For distributions, IIF intended to include profit distributions in

deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Taxation Measures Law and determined to distribute the entire unappropriated retained earnings for the current period excluding fractions (distribution per unit = fractions less than one yen). Therefore, the distribution per unit was 16,617 yen.

B Outlook for the next period

i. Outlook for the overall management

The global economy is following a trend of steady improvement mainly in developed countries, and Japan's economy is expected to recover gradually in the future.

In the real estate market, the investment environment for properties in Japan is improving on the strength of the financing ease and a bottoming out of the rental market.

As for logistics facilities, occupancy rates and rent levels are expected to remain high, given the diversification of consumer lifestyles in recent years and the increase in distribution flows associated with the change in distribution channels resulting primarily from IT advancement. In addition, more investors view logistics facilities as stable investment targets. Moreover, the market, which has been supported by new entrants and large-scale logistics facility construction projects, is expected to remain active for the time being. The properties managed by IIF are likely to see stable occupancy, given their high versatility and excellent locations. Also, considering that the necessity of the companies to sell their properties are diversifying by the improvement in the economy, IIF is expected to see a rise in investment opportunities through its property acquisition activities based on the CRE proposal, an approach in which IIF is strong.

As for manufacturing and R&D facilities, consolidation and overseas transfer of plants in particular have become prominent. Yet vital facilities are likely to be maintained and implemented in Japan as before, and the properties managed by IIF based on long-term lease contracts are expected to see continuous, stable usage given their importance. In the infrastructure facilities segment, sales of properties can be anticipated as moves to separate holding and management are likely to quicken in both the public and private sectors.

ii. Issues to be solved

Under the situation described above, IIF will seek to create and maintain a portfolio that generates stable income to achieve sustainable growth of unit holder value through the strategies described below.

a) External growth

IIF will continue to demonstrate its strength in proposal-based acquisition activities in the areas of both CRE and PRE (Public Real Estate), where growth potential is apparent, and pursue "stable" property acquisition opportunities that contribute to "improving profitability" and "unrealized gain". In doing so, IIF will aim to further expand the size of its portfolio.

IIF will continue to acquire new asset category properties, while avoiding price competition using our experience, expertise, and networks in both CRE and PRE sectors. By aiming to further increase the acquisition of asset category properties and the development of CRE needs, we will evolve our unique CRE proposal-based business model.

IIF will strive to build up prime properties for expanding the portfolio by leveraging its unique strengths as the only listed J-REIT specializing in industrial properties and creating an agile property acquisition structure by collecting property information through its information channels including sponsor companies or by using bridge fund scheme.

b) Internal growth

As of June 30, 2014, the portfolio owned by IIF consisted of 36 properties for a total acquisition price of 182,089 million yen.

The average occupancy rate currently stands at 98.8%. The properties are managed under long-term lease contracts with an average remaining lease period of 10.2 years, generating stable cash flows.

IIF will work to maintain the quality of its portfolio and further improve profitability by implementing the required management tasks to maintain and improve the functionality, safety, and comfortableness of the buildings it manages and carry out suitable repair work as necessary. At the same time, IIF will continue to exert efforts in building favorable relationships with lessees based on close, on-going communication in order to maintain and improve the rent level and prevent cancellation.

Furthermore, in order to enhance the value of properties, IIF will make plans to increase floor space and expand the leasable space in properties where extra space is available and formulate renovation plans to improve earnings in the long term.

c) Financial strategy

In consideration of how IIF's portfolio generates "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) of matching long-term stable cash flows of properties to long-term fixed-rate borrowings in the next fiscal year and beyond.

IIF will also work to reduce fund-raising costs, lengthen borrowing periods, standardize repayment amounts and diversify 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.

iii. Prospects for results in the next period

IIF expects to record operating revenue of 6,798 million yen, ordinary income of 2,790 million yen, net income of 2,789 million yen and distribution per unit of 16,850 yen for the 15th Period (Period ending December 31, 2014).

For details of the assumptions made in this forecast, please see "Assumptions for Earnings Forecast for the 15th Period (Period ending December 31, 2014)" below.

IIF assumes that the following factors will mainly cause an increase or decrease from the 14th Period (Period ended June 30, 2014).

(Operating revenue) (Increase of 221 million yen from the previous period)

- Full-period contribution of rental revenue from the nine properties acquired in the 14th Period (the period ending June 30, 2014)

(Operating expense) (Increase of 165 million yen from the previous period)

- Property-related taxes on six properties acquired in the 12th Period (the period ended in June 30, 2013)
- Full-period accrual of property management fees on the nine properties acquired in the 14th Period (the period ending June 30, 2014).

Note The forecast mentioned above is calculated at present based on certain assumptions. Actual net income and distribution may fluctuate due to changes in the circumstances. This forecast does not guarantee the amount of distribution.

Assumptions made in the earnings forecast for the 14th Period (January 1, 2014 to June 30, 2014) and the 15th

Period (July 1, 2014 to December 31, 2014)

| Item | Assumptions |
|--|---|
| Calculation period | 15th Period July 1, 2014 to December 31, 2014 (184 days)) |
| Properties owned | <p>Assumption is made based on the 36 real properties and trust beneficiary interests owned by IIF as of June 30, 2014.</p> <p>While we assumed that we will not acquire other properties or dispose of any properties during the fiscal periods ending December 31, 2014, deviations from our forecasts may occur due to acquisitions, disposals or similar activities relating to other properties.</p> |
| Interest-bearing debt | <p>Interest-bearing debt as of June 30, 2014 amounted to 96,400 million yen, which consisted of long-term borrowings of 84,400 million yen and investment corporate bonds of 12,000 million yen.</p> <p>There is no interest-bearing debt that reaches its repayment date during the 15th Period.</p> |
| Operating revenue | In the 15th Period, it is assumed that there will be no back rent or nonpayment by tenants based on the assumptions made for “properties owned” above. |
| Operating expense | <p>Property tax, urban planning tax and depreciable property tax of approximately 557 million yen and a repair cost of approximately 61 million yen are assumed.</p> <p>Depreciation expense (including ancillary expenses, etc.) is calculated by the straight-line method, and its assumed amount is approximately 997 million yen.</p> <p>Outsourcing expense (property management fee and building management commission fee, etc.) is calculated based on past expenses.</p> |
| Non-operating expense | <p>Interest expense and other borrowing-related expenses of approximately 815 million yen is assumed based on the assumptions made in “interest-bearing debt” above.</p> <p>The amortization expense for the issuance cost of new investment units is expected to be approximately 91 million yen.</p> |
| Issuance of investment units | The forecast is assumed based on a total number of outstanding investment units of 165,532 as of June 30, 2014. |
| Distribution per unit | It is assumed that the entire unappropriated retained earnings for the current period excluding fractions (distribution per unit = amounts less than one yen) will be distributed. |
| Distribution of excess profit per unit | There is no plan at present to distribute excess profit (distribution of excess profit per unit). |

3. Financial information

(1) Balance sheet

(Thousands of yen)

| | As of | |
|---|--------------------|--------------------|
| | December 31, 2013 | June 30, 2014 |
| ASSETS | | |
| Current assets: | | |
| Cash and bank deposits | 7,284,416 | 3,431,240 |
| Cash and bank deposits in trust | 2,369,289 | 3,052,874 |
| Rental receivables | 95,249 | 122,531 |
| Prepaid expenses | 435,023 | 764,937 |
| Deferred tax assets | 15 | 17 |
| Consumption taxes refundable | - | 296,886 |
| Other | 117 | 44 |
| Total current assets | 10,184,112 | 7,668,532 |
| Noncurrent assets: | | |
| Property, plant and equipment: | | |
| Buildings, at cost | 29,467,309 | 31,150,820 |
| Less: Accumulated depreciation | (3,180,830) | (3,491,529) |
| Buildings, net | 26,286,478 | 27,659,291 |
| Structures, at cost | 26,882 | 76,235 |
| Less: Accumulated depreciation | (1,872) | (2,897) |
| Structures, net | 25,010 | 73,337 |
| Machinery and equipment, at cost | 11,892 | 11,892 |
| Less: Accumulated depreciation | (4,106) | (6,092) |
| Machinery and equipment, net | 7,786 | 5,800 |
| Tools, furniture and fixtures, at cost | 1,919 | 7,469 |
| Less: Accumulated depreciation | (149) | (359) |
| Tools, furniture and fixtures, net | 1,769 | 7,110 |
| Land | 12,911,098 | 14,901,983 |
| Construction in progress | 539 | 12,766 |
| Buildings in trust, at cost | 41,927,857 | 49,159,196 |
| Less: Accumulated depreciation | (4,380,585) | (4,996,288) |
| Buildings in trust, net | 37,547,272 | 44,162,908 |
| Structures in trust, at cost | 378,387 | 455,753 |
| Less: Accumulated depreciation | (255,054) | (280,016) |
| Structures in trust, net | 123,333 | 175,737 |
| Machinery and equipment in trust, at cost | 1,229 | 11,006 |
| Less: Accumulated depreciation | (20) | (538) |
| Machinery and equipment in trust, net | 1,209 | 10,468 |
| Tools, furniture and fixtures in trust, at cost | 6,515 | 6,515 |
| Less: Accumulated depreciation | (2,481) | (2,886) |
| Tools, furniture and fixtures in trust, net | 4,033 | 3,628 |
| Land in trust | 66,736,180 | 74,778,890 |
| Construction in progress in trust | 73,973 | - |
| Total net property, plant and equipment | 143,718,684 | 161,791,922 |
| Intangible assets: | | |
| Leasehold right (Note 1) | 19,833,966 | 19,833,966 |
| Other | 390 | 1,547 |
| Total intangible assets | 19,834,356 | 19,835,514 |
| Investments and other assets: | | |
| Investment securities | 12,702 | 11,787 |
| Lease and guarantee deposits | 10,000 | 11,333 |
| Long-term prepaid expenses | 1,125,263 | 1,173,080 |
| Total investments and other assets | 1,147,966 | 1,196,200 |
| Total noncurrent assets | 164,701,007 | 182,823,637 |
| Deferred assets: | | |
| Investment unit issuance costs | 217,229 | 285,074 |
| Investment corporation bonds issuance costs | 48,047 | 62,762 |
| Total deferred assets | 265,276 | 347,837 |
| TOTAL ASSETS | 175,150,396 | 190,840,007 |

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(Thousands of yen)

| | As of | |
|--|--------------------|--------------------|
| | December 31, 2013 | June 30, 2014 |
| LIABILITIES | | |
| Current liabilities: | | |
| Operating accounts payable | 369,347 | 244,156 |
| Current portion of long-term loans payable | 2,000,000 | - |
| Accounts payable – other | 317,642 | 399,762 |
| Accrued expenses | 13,907 | 6,328 |
| Income taxes payable | 745 | 737 |
| Accrued consumption taxes | 205,844 | - |
| Advances received | 1,036,721 | 1,557,505 |
| Other | 10,977 | 114,508 |
| Total current liabilities | 3,955,186 | 2,322,998 |
| Noncurrent liabilities: | | |
| Investment corporation bonds – unsecured | 10,000,000 | 12,000,000 |
| Long-term loans payable | 77,000,000 | 84,400,000 |
| Tenant leasehold and security deposits | 1,967,989 | 2,114,725 |
| Tenant leasehold and security deposits in trust | 7,222,346 | 7,700,977 |
| Derivatives liabilities | 119,275 | 240,248 |
| Other | 57,631 | 56,998 |
| Total noncurrent liabilities | 96,367,243 | 106,512,949 |
| TOTAL LIABILITIES | 100,322,429 | 108,835,947 |
| NET ASSETS | | |
| Unitholders' equity: | | |
| Unitholders' capital | 72,437,583 | 79,493,577 |
| Surplus: | | |
| Retained earnings | 2,509,659 | 2,750,730 |
| Total surplus | 2,509,659 | 2,750,730 |
| Total unitholders' equity | 74,947,242 | 82,244,308 |
| Valuation and translation adjustments: | | |
| Deferred gains or (losses) on hedges | (119,275) | (240,248) |
| Total valuation and translation adjustments | (119,275) | (240,248) |
| TOTAL NET ASSETS (Note 2) | 74,827,966 | 82,004,059 |
| TOTAL LIABILITIES AND NET ASSETS | 175,150,396 | 190,840,007 |

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(2) Statement of income and retained earnings

(Thousands of yen)

| | For the six months ended | |
|---|--------------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Operating revenue | | |
| Rent revenue—real estate (Note 3) | 6,037,664 | 6,575,945 |
| Dividend income from investment in Tokumei Kumiai | - | 335 |
| Total operating revenue | 6,037,664 | 6,576,281 |
| Operating expenses | | |
| Expenses related to property rental business (Note 3) | 2,100,349 | 2,259,145 |
| Asset management fees | 529,839 | 569,167 |
| Directors' compensations | 5,820 | 5,820 |
| Asset custody fees | 5,996 | 6,240 |
| Administrative service fees | 28,112 | 29,313 |
| Other | 58,718 | 66,506 |
| Total operating expenses | 2,728,836 | 2,936,192 |
| Operating income | 3,308,827 | 3,640,088 |
| Non-operating income | | |
| Interest income | 889 | 929 |
| Interest on refund | 1,578 | - |
| Reversal of distribution payable | 876 | 500 |
| Total non-operating income | 3,343 | 1,429 |
| Non-operating expenses | | |
| Interest expenses | 516,655 | 594,942 |
| Interest expenses on investment corporation bonds | 49,268 | 48,926 |
| Amortization of investment corporation bonds issuance costs | 4,855 | 5,018 |
| Borrowing related expenses | 155,990 | 166,784 |
| Amortization of investment unit issuance costs | 73,649 | 89,600 |
| Other | 1,230 | 2,496 |
| Total non-operating expenses | 801,650 | 907,769 |
| Ordinary income | 2,510,520 | 2,733,748 |
| Extraordinary income | | |
| Insurance income | - | 17,954 |
| Total extraordinary income | - | 17,954 |
| Income before income taxes | 2,510,520 | 2,751,702 |
| Income taxes | | |
| Current | 925 | 994 |
| Deferred | 1 | (2) |
| Total income taxes | 927 | 992 |
| Net income | 2,509,593 | 2,750,710 |
| Retained earnings brought forward | 65 | 20 |
| Unappropriated retained earnings | 2,509,659 | 2,750,730 |

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(3) Statement of changes in net assets

(Thousands of yen)

For the six months ended December 31, 2013

For the six months ended December 31, 2013

| | Unitholders' equity | | | Valuation and translation adjustments | | | |
|---|----------------------|-------------------|---------------|---------------------------------------|--------------------------------------|---------------------------------------|------------------|
| | Surplus | | | | | Total | |
| | Unitholders' capital | Retained earnings | Total surplus | Total unitholders' equity | Deferred gains or (losses) on hedges | valuation and translation adjustments | Total net assets |
| | (Note 2) | | | | | | |
| Balance as of July 1, 2013 | 72,437,583 | 2,447,131 | 2,447,131 | 74,884,714 | (23,754) | (23,754) | 74,860,959 |
| Changes during the period | | | | | | | |
| Dividends from surplus | — | (2,447,065) | (2,447,065) | (2,447,065) | — | — | (2,447,065) |
| Net income | — | 2,509,593 | 2,509,593 | 2,509,593 | — | — | 2,509,593 |
| Net changes of items other than unitholders' equity | — | — | — | — | (95,520) | (95,520) | (95,520) |
| Total changes during the period | — | 62,527 | 62,527 | 62,527 | (95,520) | (95,520) | (32,993) |
| Balance as of December 31, 2013 | 72,437,583 | 2,509,659 | 2,509,659 | 74,947,242 | (119,275) | (119,275) | 74,827,966 |

For the six months ended June 30, 2014

| | Unitholders' equity | | | | Valuation and translation adjustments | | |
|---|----------------------|-------------------|---------------|---------------------------|---------------------------------------|---------------------------------------|------------------|
| | Surplus | | | | | Total | |
| | Unitholders' capital | Retained earnings | Total surplus | Total unitholders' equity | Deferred gains or (losses) on hedges | valuation and translation adjustments | Total net assets |
| | (Note 2) | | | | | | |
| Balance as of January 1, 2014 | 72,437,583 | 2,509,659 | 2,509,659 | 74,947,242 | (119,275) | (119,275) | 74,827,966 |
| Changes during the period | | | | | | | |
| Issuance of new investment units | 7,055,994 | — | — | 7,055,994 | — | — | 7,055,994 |
| Dividends from surplus | — | (2,509,638) | (2,509,638) | (2,509,638) | — | — | (2,509,638) |
| Net income | — | 2,750,710 | 2,750,710 | 2,750,710 | — | — | 2,750,710 |
| Net changes of items other than unitholders' equity | — | — | — | — | (120,972) | (120,972) | (120,972) |
| Total changes during the period | 7,055,994 | 241,071 | 241,071 | 7,297,065 | (120,972) | (120,972) | 7,176,093 |
| Balance as of June 30, 2014 | 79,493,577 | 2,750,730 | 2,750,730 | 82,244,308 | (240,248) | (240,248) | 82,004,059 |

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(4) Statement of cash distributions

(Yen)

| | For the six months ended | |
|---------------------------------------|--------------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Unappropriated retained earnings | 2,509,659,009 | 2,750,730,604 |
| Cash distribution declared | 2,509,638,576 | 2,750,645,244 |
| (Cash distribution declared per unit) | (16,043) | (16,617) |
| Retained earnings carried forward | 20,433 | 85,360 |

Note:

In accordance with the distribution policy in Article 25, Paragraph 1, Item 2 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, cash distributions declared for the six months ended December 31, 2013 and June 30, 2014 were ¥2,509,638,576 and ¥2,750,645,244, respectively, which were all of retained earnings at the end of each period except for fractional distribution per unit less than one yen. The Investment Corporation generally does not make distribution in excess of profit prescribed in the article of incorporation 25, Paragraph 2.

(5) Statement of cash flows

(Thousands of yen)

| | For the six months ended | |
|---|--------------------------|--------------------|
| | December 31, 2013 | June 30, 2014 |
| Net cash provided by (used in) operating activities: | | |
| Income before income taxes | 2,510,520 | 2,751,702 |
| Depreciation and amortization | 863,316 | 955,519 |
| Amortization of investment corporation bonds issuance costs | 4,855 | 5,018 |
| Amortization of investment unit issuance costs | 73,649 | 89,600 |
| Interest income | (889) | (929) |
| Interest expenses | 565,924 | 643,868 |
| Insurance income | — | (17,954) |
| Changes in assets and liabilities: | | |
| Decrease (increase) in operating accounts receivable | 22,770 | (27,282) |
| Decrease (increase) in consumption taxes refundable | 242,209 | (289,803) |
| Decrease (increase) in prepaid expenses | 294,864 | (329,913) |
| Increase in long-term prepaid expenses | (168,273) | (47,816) |
| Decrease in operating accounts payable | (32,273) | (14,819) |
| Increase (decrease) in accounts payable - other | (5,812) | 33,531 |
| Increase (decrease) in accrued expenses | 85 | (3,857) |
| Increase (decrease) in accrued consumption taxes | 216,238 | (216,238) |
| Increase (decrease) in advances received | (336,691) | 520,783 |
| Decrease in other noncurrent liabilities | (8,150) | (8,115) |
| Other, net | (18,313) | 54,014 |
| Subtotal | 4,224,031 | 4,097,309 |
| Interest income received | 889 | 928 |
| Interest expenses paid | (567,854) | (647,590) |
| Insurance income received | — | 68,968 |
| Payments for loss on disaster | — | (5,126) |
| Income taxes paid | (998) | (1,002) |
| Net cash provided by operating activities | 3,656,066 | 3,513,487 |
| Net cash provided by (used in) investing activities: | | |
| Purchases of property, plant and equipment | (158,354) | (3,716,999) |
| Purchases of property, plant and equipment in trust | (177,428) | (15,406,873) |
| Purchases of intangible assets | (188) | (1,100) |
| Proceeds from tenant leasehold and security deposits | 56,181 | 194,910 |
| Payments of tenant leasehold and security deposits | (180) | (36) |
| Proceeds from tenant leasehold and security deposits in trust | — | 639,474 |
| Payments of tenant leasehold and security deposits in trust | (552) | (160,843) |
| Payments for lease and guarantee deposits | — | (1,333) |
| Purchase of investment securities | (10,000) | (2,702) |
| Proceeds from refund of investment securities | — | 915 |
| Net cash used in investing activities | (290,523) | (18,454,589) |
| Net cash provided by (used in) financing activities: | | |
| Proceeds from long-term loans payable | 9,500,000 | 7,400,000 |
| Repayments of long-term loans payable | (9,500,000) | (2,000,000) |
| Proceeds from issuance of investment corporation bonds | — | 2,000,000 |
| Payments of investment corporation bonds issuance costs | — | (16,116) |
| Proceeds from issuance of investment units | — | 7,055,994 |
| Payments for investment unit issuance expenses | (54) | (157,445) |
| Dividends paid | (2,447,838) | (2,509,961) |
| Other | — | (959) |
| Net cash provided by (used in) financing activities | (2,447,893) | 11,771,511 |
| Net change in cash and cash equivalents | 917,650 | (3,169,590) |
| Cash and cash equivalents at beginning of period | 8,736,055 | 9,653,706 |
| Cash and cash equivalents at end of period (Note 4) | 9,653,706 | 6,484,115 |

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(6) Note relating to going concern assumption

Nothing to be noted.

(7) Summary of significant accounting policies

(a) Securities

Non-marketable securities held as available-for-sale are stated at cost determined by the moving average method. Investments in Tokumei Kumiai (anonymous association) agreements are accounted for using the equity method of accounting.

(b) Property, plant and equipment (excluding leased assets)

Property, plant and equipment is recorded at cost. Depreciation of property, plant and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

| | |
|-------------------------------------|-------------|
| Buildings | 13-68 years |
| Structures..... | 4-20 years |
| Machinery and equipment | 3-10 years |
| Tools, furniture and fixtures | 6-15 years |

Depreciation policy for depreciable leased assets under finance lease transactions that transfer ownership of the leased property to the lessee is consistent with that for depreciable assets that are owned. Such finance leased properties are mainly machinery and equipment.

(c) Other intangible assets

Other intangible assets are amortized on a straight-line basis.

(d) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(e) Investment unit issuance costs

Investment unit issuance costs are capitalized and amortized on a straight-line basis over three years.

(f) Investment corporation bonds issuance costs

Investment corporation bonds issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the investment corporation bonds.

(g) Taxes on property, plant and equipment

Property, plant and equipment are annually subject to various taxes, such as property taxes and urban planning taxes. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1 of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is

reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with accounting principles and practices generally accepted in Japan (“Japanese GAAP”). In subsequent calendar years, half of such taxes on property, plant and equipment for each calendar year are charged as operating expenses in each fiscal period.

Taxes on property, plant and equipment capitalized as part of the acquisition cost of properties amounted to ¥89,062 thousand for the six months ended June 30, 2014. No taxes on property and equipment were capitalized for the six months period ended for December 31, 2013.

(h) Hedge accounting

In accordance with the Investment Corporation’s risk management policy and its internal rules, the Investment Corporation uses derivative instruments for the purpose of hedging risks that are prescribed in the Investment Corporation’s articles of incorporation. The Investment Corporation 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. The Investment Corporation 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 reduced from any interest earned or incurred on the hedged asset or liability, as appropriate, and the fair value of the interest rate swap 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.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible to cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(j) Accounting treatment of trust beneficiary interests in real estate trusts

For the trust beneficiary interests in real estate trusts, which are commonly utilized to obtain ownership in investment properties in Japan and through which the Investment Corporation holds all of its real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant balance sheet and income statement accounts of the Investment Corporation in proportion to the percentage interest that such trust beneficiary interest represents. Certain material accounts with respect to assets and liabilities in trust are presented separately from other accounts in the balance sheet of the Investment Corporation.

(k) Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

(8) Notes to financial information

Note 1 – Leasehold right

Leasehold right is right to use nationally-owned land on which IIF Haneda Airport Maintenance Center is located with approval of the authorities under Article 18-6 and 19 of the National Property Act of Japan.

Note 2 – Unitholders' equity

(1) Number of units

| | As of | |
|------------------------|-------------------|-----------------|
| | December 31, 2013 | June 30, 2014 |
| Authorized | 4,000,000 units | 4,000,000 units |
| Issued and outstanding | 156,432 units | 165,532 units |

(2) The Investment Corporation is required to maintain net assets of at least ¥50,000 thousand as required by Article 67-4 of the Act on Investment Trusts and Investment Corporations of Japan.

Note 3 – Rent revenue—real estate and expenses related to property rental business

Rent revenue—real estate and expenses related to property rental business for the six months ended December 31, 2013 and June 30, 2014 consist of the following:

| | (Thousands of yen) | |
|--|--------------------------|------------------|
| | For the six months ended | |
| | December 31, 2013 | June 30, 2014 |
| Rent revenue—real estate: | | |
| Rental and parking revenue | 5,730,408 | 6,232,791 |
| Common area charges | 288,856 | 275,911 |
| Other | 18,400 | 67,242 |
| Total rent revenue—real estate | 6,037,664 | 6,575,945 |
| Expenses related to property rental business: | | |
| Property management fees | 27,554 | 50,814 |
| Facility management fees | 82,446 | 83,248 |
| Utilities | 283,612 | 259,739 |
| Property-related taxes | 439,934 | 498,740 |
| Insurance | 17,017 | 17,669 |
| Repair and maintenance | 54,753 | 55,942 |
| Depreciation | 863,316 | 955,519 |
| Trust fees | 10,805 | 12,404 |
| Leasehold rents | 320,479 | 324,701 |
| Other | 429 | 366 |
| Total expenses related to property rental business | 2,100,349 | 2,259,145 |
| Operating income from property leasing activities | 3,937,314 | 4,316,799 |

Note 4 – Cash and cash equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following balance sheet items:

| | As of | |
|---------------------------------|-------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Cash and bank deposits | 7,284,416 | 3,431,240 |
| Cash and bank deposits in trust | 2,369,289 | 3,052,874 |
| Cash and cash equivalents | 9,653,706 | 6,484,115 |

(Thousands of yen)

Note 5 – Lease rental revenues

The Investment Corporation leases its properties mainly to corporate tenants. Future minimum rental revenues pursuant to existing rental contracts as of December 31, 2013 and June 30, 2014 scheduled to be received are summarized as follows:

| | As of | |
|---------------------|-------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Due within one year | 9,774,574 | 12,094,349 |
| Due after one year | 70,655,487 | 81,744,282 |
| Total | 80,430,062 | 93,838,632 |

(Thousands of yen)

Note 6 – Financial instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

The Investment Corporation 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. Derivative instruments are used only for hedging purposes and not for speculation.

(ii) Nature and extent of risks arising from financial instruments and risk management

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 the Investment Corporation. 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. The Investment Corporation 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.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices, if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated fair value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and valuation differences of financial instruments for which fair value is available as of December 31, 2013 and June 30, 2014.

(Thousands of yen)

| | As of | | | | | |
|---|-------------------|------------|------------|------------------|-------------|------------|
| | December 31, 2013 | | | June 30, 2014 | | |
| | Carrying amounts | Fair value | Difference | Carrying amounts | Fair value | Difference |
| (1) Cash and bank deposits | 7,284,416 | 7,284,416 | — | 3,431,240 | 3,431,240 | — |
| (2) Cash and bank deposits in trust | 2,369,289 | 2,369,289 | — | 3,052,874 | 3,052,874 | — |
| Total assets | 9,653,706 | 9,653,706 | — | 6,484,115 | 6,484,115 | — |
| (1) Current portion of long-term loans payable | 2,000,000 | 2,028,553 | 28,553 | — | — | — |
| (2) Investment corporation bonds—unsecured | 10,000,000 | 10,066,800 | 66,800 | 12,000,000 | 12,273,770 | 273,770 |
| (3) Long-term loans payable | 77,000,000 | 79,126,810 | 2,126,810 | 84,400,000 | 87,474,945 | 3,074,945 |
| (4) Tenant leasehold and security deposits | 48,000 | 47,947 | (52) | 48,000 | 47,982 | (17) |
| (5) Tenant leasehold and security deposits in trust | 987,833 | 903,722 | (84,110) | 1,051,826 | 991,330 | (60,496) |
| Total liabilities | 90,035,833 | 92,173,833 | 2,138,000 | 97,499,826 | 100,788,028 | 3,288,201 |
| Derivatives (derivatives liabilities), net | (119,275) | (119,275) | — | (240,248) | (240,248) | — |

Note (i): The methods and assumption used to estimate fair value are as follows:

Assets

(1) Cash and bank deposits and (2) Cash and bank deposits in trust

Because of their short maturities, the carrying amounts approximate their fair value.

Liabilities

(1) Current portion of long-term loans payable and (3) Long-term loans payable

Long-term loans payable with floating interest rates reflecting changes in market rates within a short term period are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term loans payable with floating interest rates are hedged by interest rate swaps which qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term loans payable is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms. The fair value of long-term loans payable with fixed interest rates is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms.

(2) Investment corporation bonds—unsecured

The fair value is the quoted price provided by financial market information provider.

(4) Tenant leasehold and security deposits and (5) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivative instruments

Please refer to “Note 7 - Derivative instruments.”

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

(Thousands of yen)

| | As of | |
|---|-------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Investment securities | 12,702 | 11,787 |
| Total assets | 12,702 | 11,787 |
| Tenant leasehold and security deposits | 1,919,989 | 2,066,725 |
| Tenant leasehold and security deposits in trust | 6,234,513 | 6,649,150 |
| Total liabilities | 8,154,502 | 8,715,875 |

The investment securities (equity interests in anonymous association) are not traded in markets, and it is difficult to estimate reasonable future cash flow.

Also, the above carrying amounts of tenant lease hold and security deposits are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment dates of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

| (Thousands of yen) | | | | | | |
|---------------------------------|--------------|-----------|-----------|-----------|-----------|--------------|
| As of December 31, 2013 | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Cash and bank deposits | 7,284,416 | - | - | - | - | - |
| Cash and bank deposits in trust | 2,369,289 | - | - | - | - | - |
| Total | 9,653,706 | - | - | - | - | - |

| (Thousands of yen) | | | | | | |
|---------------------------------|--------------|-----------|-----------|-----------|-----------|--------------|
| As of June 30, 2014 | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Cash and bank deposits | 3,431,240 | - | - | - | - | - |
| Cash and bank deposits in trust | 3,052,874 | - | - | - | - | - |
| Total | 6,484,115 | - | - | - | - | - |

Note (iv): Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

| (Thousands of yen) | | | | | | |
|--|--------------|-----------|-----------|------------|------------|--------------|
| As of December 31, 2013 | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Investment corporation bonds—unsecured | - | - | 5,000,000 | - | - | 5,000,000 |
| Long-term loans payable | 2,000,000 | - | 2,000,000 | 20,600,000 | 13,500,000 | 40,900,000 |
| Total | 2,000,000 | - | 7,000,000 | 20,600,000 | 13,500,000 | 45,900,000 |

| (Thousands of yen) | | | | | | |
|--|--------------|-----------|------------|------------|-----------|--------------|
| As of June 30, 2014 | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Investment corporation bonds—unsecured | - | - | 5,000,000 | - | - | 7,000,000 |
| Long-term loans payable | - | - | 11,000,000 | 25,100,000 | 4,000,000 | 44,300,000 |
| Total | - | - | 16,000,000 | 25,100,000 | 4,000,000 | 51,300,000 |

Note 7 – Derivative instruments

Derivative instruments are used only for hedging purpose and are subject to hedge accounting as following tables show.

As of December 31, 2013

| (Thousands of yen) | | | | | | |
|--|---|-------------------------|--|-------------|------------|------------------------------------|
| Method of hedge accounting | Derivative instruments | Hedged item | Notional contract amount of derivative instruments | | Fair value | Method used to estimate fair value |
| | | | | Over 1 year | | |
| Deferred hedge accounting | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term loans payable | 5,500,000 | 5,500,000 | (119,275) | Note (ii) |
| Special treatment for hedge accounting of interest rate swaps (Note (i)) | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term loans payable | 58,000,000 | 58,000,000 | Note (i) | - |

As of June 30, 2014

| (Thousands of yen) | | | | | | |
|--|---|-------------------------|--|-------------|------------|------------------------------------|
| Method of hedge accounting | Derivative instruments | Hedged item | Notional contract amount of derivative instruments | | Fair value | Method used to estimate fair value |
| | | | | Over 1 year | | |
| Deferred hedge accounting | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term loans payable | 5,500,000 | 5,500,000 | (240,248) | Note (ii) |
| Special treatment for hedge accounting of interest rate swaps (Note (i)) | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term loans payable | 63,200,000 | 63,200,000 | Note (i) | - |

Note:

- (i) As disclosed in “(7) Summary of significant accounting policies (h) Hedge accounting”, the Investment Corporation applies 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 swap contracts, and not the fair value of the derivative, can be determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instruments and the long-term loans payable as the hedged items is calculated together as one and disclosed as such under Note (i) in “Note 6 - Financial instruments (b) Quantitative information for financial instruments”.
- (ii) The fair value is estimated by the counterparty to the interest rate swaps contracts using market interest rates and other assumptions.

Note 8 – Related-party transactions

There were no related-party transactions to be disclosed for the six months ended December 31, 2013 and June 30, 2014.

Note 9 – Income taxes

Deferred tax assets consist of the following:

| | (Thousands of yen) | |
|-------------------------------------|--------------------|---------------|
| | As of | |
| | December 31, 2013 | June 30, 2014 |
| Deferred tax assets, current: | | |
| Enterprise tax payable | 15 | 17 |
| Total | 15 | 17 |
| Net deferred tax assets, current | 15 | 17 |
| Deferred tax assets, noncurrent: | | |
| Deferred losses on hedges | 40,744 | 82,068 |
| Subtotal | 40,744 | 82,068 |
| Valuation allowance | (40,744) | (82,068) |
| Total | — | — |
| Net deferred tax assets, noncurrent | — | — |

A reconciliation of the Investment Corporation's effective tax rates and statutory tax rates is as follows:

| | For the six months ended | |
|-------------------------------|--------------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Statutory tax rates | 36.59% | 36.59% |
| Deductible cash distributions | (36.58) | (36.58) |
| Other | 0.03 | 0.03 |
| Effective tax rates | 0.04% | 0.04% |

Note 10 – Asset retirement obligations

As the Investment Corporation owns IIF Haneda Airport Maintenance Center with the permission for use of the underlying land granted by the Secretary of Tokyo Regional Civil Aviation Bureau under the National Property Act of Japan, the Investment Corporation is obliged to demolish the building and restore the land if the permission is not extended or is revoked. The Investment Corporation, however, expects that, unless exceptional circumstances arise, the permission will continue to be granted until the Investment Corporation voluntarily demolishes the property in light of the past practice relating to the extension and revocation of permission under the National Property Act and the importance of the property as public infrastructure. As the Investment Corporation intends to keep the property for the foreseeable future, it is difficult to determine when the asset retirement obligation may need to be performed, and as such it is impossible to reasonably foresee the amount of the asset retirement obligation. Therefore, the Investment Corporation does not recognize such obligation as a liability.

Note 11 – Fair value of investment and rental property

The Investment Corporation has mainly industrial and infrastructure facilities as investment and rental properties which are located mainly in three major metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended December 31, 2013 and June 30, 2014.

(Thousands of yen)

| | As of / For the six months ended | |
|---|----------------------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Net book value⁽ⁱ⁾ | | |
| Balance at the beginning of the period | 164,053,231 | 163,552,650 |
| Net increase (decrease) during the period ⁽ⁱⁱ⁾ | (500,581) | 18,074,335 |
| Balance at the end of the period | 163,552,650 | 181,626,985 |
| Fair value⁽ⁱⁱⁱ⁾ | 177,119,000 | 201,956,000 |

Note:

(i) The net book value includes leasehold right.

(ii) For the six months ended December 31, 2013:

Decrease in the net book value is mainly due to depreciation.

For the six months ended June 30, 2014:

Changes in the net book value are mainly due to the following acquisitions offset by depreciation.

| | | Increase in net book value |
|---------------|--|-------------------------------|
| | | (Thousands of yen) |
| Acquisitions: | IIF Narashino Logistics Center II (building with leasehold interest) | 1,229,533 |
| | IIF Misato Logistics Center | 3,603,768 |
| | IIF Iruma Logistics Center | 3,301,058 |
| | IIF Tosu Logistics Center | 1,600,416 |
| | IIF Inzai Logistics Center | 1,080,296 |
| | IIF Morioka Logistics Center | 617,330 |
| | IIF Nagoya Port Tank Terminal (land with leasehold interest) | 1,990,885 |
| | IIF Hiroshima Logistics Center | 3,613,372 |
| | IIF Kawasaki Science Center (building) | 1,696,566 |

(iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers.

For rental revenues and expenses for the six months ended December 31, 2013 and June 30, 2014, please refer to “Note 3 - Rent revenue — real estate and expenses related to property rental business.”

Note 12 – Segment information

Segment information for the six months ended December 31, 2013 and June 30, 2014 is as follows:

(a) Operating segment information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide disclosures

(i) Information about products and services

Disclosure is not required as revenues from external customers for the single segment are in excess of 90% of total revenues.

(ii) Information about geographic areas

Revenues from overseas customers:

Disclosure is not required as revenues from external customers attributable to Japan are in excess of 90% of total revenues.

Tangible fixed assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about major customers

| Name of customer | Revenues for the six months ended | | Relating segment |
|--------------------------|-----------------------------------|---------------|--------------------------|
| | December 31, 2013 | June 30, 2014 | |
| Japan Airlines Co., Ltd. | 1,337,409 | 1,341,505 | Property rental business |

(Thousands of yen)

Note 13 – Per unit information

The net asset value per unit as of December 31, 2013 and June 30, 2014 was ¥478,341 and ¥495,397, respectively. Net income per unit for the six months ended December 31, 2013 and June 30, 2014 was ¥16,042 and ¥16,789, respectively.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding during the six-month period. The Investment Corporation has no potentially dilutive units.

A basis of calculation of net income per unit is as follows:

| | For the six months ended | |
|---|--------------------------|---------------|
| | December 31, 2013 | June 30, 2014 |
| Net income | 2,509,593 | 2,750,710 |
| Effect of dilutive unit | - | - |
| Net income available to common unitholders | 2,509,593 | 2,750,710 |
| Weighted-average number of units outstanding for the period | 156,432 units | 163,838 units |

(Thousands of yen)

Note 14 – Subsequent events

Unit split

The Board of Directors of the Investment Corporation, at its meeting held on August 18, 2014, resolved to implement a unit split (the “Unit Split”) as follows:

(1) Purpose of the Unit Split

The Investment Corporation hopes to expand investors through improvement of an investment environment by reducing the market price per investment with the Unit Split.

(2) Split method

Each unit owned by unitholders listed in the final unitholders register on December 31, 2014, the day immediately prior to the effective date of the Unit Split, was split into two units.

(3) Number of units increased by the Unit Split

- 1) Number of outstanding units of the Investment Corporation before the Unit Split: 165,532 units
- 2) Number of units increased by the Unit Split: 165,532 units
- 3) Number of outstanding units of the Investment Corporation after the Unit Split: 331,064 units

4) Number of authorized units of the Investment Corporation after the Unit Split: 8,000,000 units

(4) Schedule of the Units Split

- 1) Record date: December 31, 2014
- 2) Effective date: January 1, 2015

(5) Pro forma information

Pro forma per unit information for the six months ended December 31, 2013 and June 30, 2014 which has been adjusted to reflect the Unit Split as if it had been effective on the beginning of each period is as follows:

(Yen)

1) Net asset value per unit

As of December 31, 2013: ¥239,170

As of June 30, 2014: ¥247,698

2) Net income per unit

For the six months ended December 31, 2013: ¥8,021

For the six months ended June 30, 2014: ¥8,394

[Omission of disclosure]

Notes relating to investment securities and retirement benefits are omitted as immaterial.

(9) Changes in unit issued and outstanding

The outline of changes in unitholders' capital for the current and previous periods was as follows:

| Date | Capital transaction | Number of units issued and outstanding | | Unitholders' capital (Millions of yen) | | Note |
|-------------------|---|--|---------|--|---------|---------|
| | | Increase | Balance | Increase | Balance | |
| March 26, 2007 | Private placement for incorporation | 400 | 400 | 200 | 200 | Note 1 |
| October 17, 2007 | Public offering | 76,000 | 76,400 | 35,112 | 35,312 | Note 2 |
| November 19, 2007 | Allocation of investment units to a third party | 2,635 | 79,035 | 1,217 | 36,529 | Note 3 |
| March 8, 2011 | Public offering | 14,200 | 93,235 | 5,556 | 42,085 | Note 4 |
| March 24, 2011 | Allocation of investment units to a third party | 397 | 93,632 | 155 | 42,241 | Note 5 |
| March 5, 2012 | Public offering | 44,762 | 138,394 | 18,705 | 60,946 | Note 6 |
| March 26, 2012 | Allocation of investment units to a third party | 2,238 | 140,632 | 935 | 61,881 | Note 7 |
| February 4, 2013 | Public offering | 15,424 | 156,056 | 10,304 | 72,186 | Note 8 |
| March 5, 2013 | Allocation of investment units to a third party | 376 | 156,432 | 251 | 72,437 | Note 9 |
| February 3, 2014 | Public offering | 8,884 | 165,316 | 6,888 | 79,326 | Note 10 |
| March 4, 2014 | Allocation of investment units to a third party | 216 | 165,532 | 167 | 79,493 | Note 11 |

Note 1 The Investment Corporation was incorporated through private placement at a price of ¥500,000 per unit.

Note 2 New investment units were issued at a price of ¥480,000 per unit (subscription price of ¥462,000 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 3 New investment units were issued at a price of ¥462,000 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 4 New investment units were issued at a price of ¥405,945 per unit (subscription price of ¥391,297 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 5 New investment units were issued at a price of ¥391,297 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 6 New investment units were issued at a price of ¥432,135 per unit (subscription price of ¥417,879 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 7 New investment units were issued at a price of ¥417,879 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 8 New investment units were issued at a price of ¥692,250 per unit (subscription price of ¥668,110 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 9 New investment units were issued at a price of ¥668,110 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 10 New investment units were issued at a price of ¥803,400 per unit (subscription price of ¥775,384 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 11 New investment units were issued at a price of ¥775,384 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 12 All investment units are common investment units.

4. Changes in officers

Changes in officers had been otherwise disclosed under the rule of timely disclosure.

5. Additional information

(1) Composition of assets

| Classification of assets | Asset category | Location category (Note 1) | Region | As of December 31, 2013 | | As of June 30, 2014 | |
|--|--|---------------------------------------|-------------------------------------|--|--------------------------------------|--|--------------------------------------|
| | | | | Total of net book value (Millions of yen) | Composition ratio (Note 2) (%) | Total of net book value (Millions of yen) | Composition ratio (Note 2) (%) |
| Real property | Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties) | Urban and suburban or Industrial-area | Tokyo metropolitan area | 10,061 | 5.8 | 11,760 | 6.2 |
| | | | Osaka and Nagoya metropolitan areas | 3,554 | 2.0 | 3,543 | 1.9 |
| | | | Other area | — | — | — | — |
| | | Other | Tokyo metropolitan area | — | — | — | — |
| | | | Osaka and Nagoya metropolitan areas | — | — | — | — |
| | | | Other area | — | — | — | — |
| | Infrastructure facilities (Infrastructure properties) | Urban and suburban or Industrial-area | Tokyo metropolitan area | 45,451 | 25.9 | 45,200 | 23.7 |
| | | | Osaka and Nagoya metropolitan areas | — | — | 1,990 | 1.0 |
| | | | Other area | — | — | — | — |
| | | Other | Tokyo metropolitan area | — | — | — | — |
| | | | Osaka and Nagoya metropolitan areas | — | — | — | — |
| | | | Other area | — | — | — | — |
| Trust beneficial interest in real property | Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties) | Urban and suburban or Industrial-area | Tokyo metropolitan area | 68,173 | 38.9 | 77,252 | 40.5 |
| | | | Osaka and Nagoya metropolitan areas | 6,635 | 3.8 | 6,590 | 3.4 |
| | | | Other area | — | — | 3,596 | 1.9 |
| | | Other | Tokyo metropolitan area | — | — | — | — |
| | | | Osaka and Nagoya metropolitan areas | — | — | — | — |
| | | | Other area | — | — | 2,205 | 1.2 |
| | Infrastructure facilities (Infrastructure properties) | Urban and suburban or Industrial-area | Tokyo metropolitan area | 5,436 | 3.1 | 5,400 | 2.8 |
| | | | Osaka and Nagoya metropolitan areas | 24,240 | 13.9 | 24,085 | 12.6 |
| | | | Other area | — | — | — | — |
| | | Other | Tokyo metropolitan area | — | — | — | — |
| | | | Osaka and Nagoya metropolitan areas | — | — | — | — |
| | | | Other area | — | — | — | — |
| Sub-total | | | | 163,552 | 93.4 | 181,626 | 95.2 |
| Investments in Tokumei Kumiai agreement (Note 3) | | | | 12 | 0.0 | 11 | 0.0 |
| Bank deposits and other assets | | | | 11,585 | 6.6 | 9,201 | 4.8 |
| Total assets | | | | 175,150 | 100.0 | 190,840 | 100.0 |
| Total liabilities | | | | 100,322 | 57.3 | 108,835 | 57.0 |
| Total net assets | | | | 74,827 | 42.7 | 82,004 | 43.0 |

Note 1 “Location category” is classified as below.

| Location category | Description |
|-------------------------------|---|
| Urban and suburban properties | Properties located in Japan's three major urban areas ⁽ⁱ⁾ , cities designated by government ordinance, or similar areas |
| Industrial-area properties | Generally, properties located in industrial zones ⁽ⁱⁱ⁾ that generate more than ¥1 trillion in manufactured product shipments |
| Other properties | Properties that do not fall within either of the above categories but have an expected risk/return profile suitable for investment |

(i) Japan's three major urban areas are the greater Tokyo, Osaka and Nagoya areas. The greater Tokyo area consists of Tokyo, Kanagawa, Chiba and Saitama prefectures; the greater Osaka area consists of Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures; and the greater Nagoya area consists of Aichi, Mie and Gifu prefectures.

(ii) Industrial zones means industrial zones as defined in the Report on Industry Statistics issued by Ministry of Economy, Trade and Industry of Japan.

Note 2 “Composition ratio” is calculated by rounding to the nearest first decimal place.

Note 3 Investments in Tokumei Kumiai agreement is an equity interest of an anonymous association managed by Limited Liability Company SBS Logi Fund 1 whose investment asset is Kyo-tanabe Logistics Center held in the form of trust beneficiary interest.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of June 30, 2014 were as follows:

| Name of property | Net book value (Millions of yen) | Leasable area (Note 1) (m ²) | Leased area (Note 2) (m ²) | Occupancy ratio (Note 3) (%) | Ratio of rental revenue to total rental revenues (Note 3) (%) | Major use |
|--|-------------------------------------|--|--|------------------------------------|--|--------------------------------------|
| IIF Haneda Airport Maintenance Center | 40,024 | 81,995.81 | 81,995.81 | 100.0 | 20.4 | Infrastructure facility |
| IIF Kobe District Heating and Cooling Center | 17,134 | 11,275.39 | 11,275.39 | 100.0 | 5.0 | Infrastructure facility |
| IIF Shinonome Logistics Center (Note 4) | 13,256 | 27,493.29 | 27,493.29 | 100.0 | 6.1 | Logistics facility |
| IIF Mitaka Card Center | 9,255 | 21,615.01 | 21,615.01 | 100.0 | 5.6 | Manufacturing and R&D facility, etc. |
| IIF Shinonome R&D Center (Note 5) | 9,145 | 17,045.30 | 17,045.30 | 100.0 | — | Manufacturing and R&D facility, etc. |
| IIF Kamata R&D Center (Note 5) | 7,490 | 21,896.56 | 21,896.56 | 100.0 | — | Manufacturing and R&D facility, etc. |
| IIF Noda Logistics Center | 5,778 | 38,828.10 | 38,828.10 | 100.0 | 3.7 | Logistics facility |
| IIF Osaka Toyonaka Data Center (Note 5) | 5,651 | 20,027.14 | 20,027.14 | 100.0 | — | Infrastructure facility |
| IIF Zama IT Solution Center (Note 5) | 5,400 | 10,931.89 | 10,931.89 | 100.0 | — | Infrastructure facility |
| IIF Kobe Logistics Center (Note 5) | 5,372 | 39,567.74 | 39,567.74 | 100.0 | — | Logistics facility |
| Total | 118,510 | 290,676.23 | 290,676.23 | 100.0 | 65.0 | |

Note 1 “Leasable area” means the leasable area of the building or land of each property indicated in the lease agreement.

Note 2 “Leased area” means the leased area of the building or land of each property indicated in the lease agreement.

Note 3 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place.

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area and leased area of the property show 53% of the total leasable area or leased area as the share of quasi-co-ownership.

Note 5 “Ratio of rental revenue to total rental revenues” of the properties are not disclosed because the consent from the tenants has not been obtained.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of June 30, 2014 were as follows:

| Name of property | Location (Note 1) | Form of ownership | Leasable area (Note 2) (m ²) | Appraisal value at end of period (Note 3) (Millions of yen) | Net book value (Millions of yen) |
|---|---|---------------------------|---|--|-------------------------------------|
| IIF Shinonome Logistics Center (Note 4) | 19-4, Shinonome 2-chome, Koto-ku, Tokyo, etc. | Trust beneficial interest | 27,493.29 | 15,476 | 13,256 |
| IIF Noda Logistics Center | 340-13, Aza Tamedai, Nishi-sangao, Noda-shi, Chiba, etc. | Trust beneficial interest | 38,828.10 | 7,560 | 5,778 |
| IIF Shinsuna Logistics Center | 2458-5, Shinsuna 3-chome, Koto-ku, Tokyo | Trust beneficial interest | 5,741.75 | 6,530 | 5,256 |
| IIF Atsugi Logistics Center | 6-19, Aza Ikoda, Hase, Atsugi-shi, Kanagawa, etc. | Trust beneficial interest | 10,959.68 | 2,030 | 1,770 |
| IIF Koshigaya Logistics Center | 1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama | Trust beneficial interest | 10,113.50 | 2,460 | 1,884 |
| IIF Nishinomiya Logistics Center | 2, Nishinomiyahama 1-chome, Nishinomiya-shi, Hyogo | Trust beneficial interest | 10,608.00 | 1,630 | 1,218 |
| IIF Narashino Logistics Center (land with leasehold interest) | 34-9, Akanehama 3-chome, Narashino-shi, Chiba | Real property | 19,834.71 | 2,340 | 1,223 |
| IIF Narashino Logistics Center II (Note 5) | 34-1, Akanehama 3-chome, Narashino-shi, Chiba | Trust beneficial interest | 83,905.16 | 5,830 | 4,660 |
| IIF Atsugi Logistics Center II | 602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa | Real property | 20,661.13 | 3,550 | 3,328 |
| IIF Yokohama Tsuzuki Logistics Center | 747-1, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa, etc. | Trust beneficial interest | 9,464.03 | 2,910 | 2,371 |
| IIF Saitama Logistics Center | 398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama, etc. | Trust beneficial interest | 8,995.00 | 1,880 | 1,529 |
| IIF Nagoya Logistics Center | 34, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi, etc. | Real property | 8,721.01 | 1,180 | 1,145 |
| IIF Atsugi Logistics Center III | 3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa | Trust beneficial interest | 16,584.64 | 2,740 | 2,353 |
| IIF Kawaguchi Logistics Center | 4829 Midori-cho, Kawaguchi-shi, Saitama, etc. | Real property | 11,705.02 | 3,500 | 1,919 |
| IIF Kobe Logistics Center | 2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo, etc. | Trust beneficial interest | 39,567.74 | 6,200 | 5,372 |
| IIF Higashi-Osaka Logistics Center | 701-2, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka, etc. | Real property | 20,461.73 | 2,730 | 2,397 |
| IIF Kashiwa Logistics Center | 1027-1, Aza Miyagohara, Wasinoya, Kashiwa-shi, Chiba, etc. | Real property | 17,373.53 | 2,450 | 1,880 |
| IIF Misato Logistics Center | Misato Interchange A District, Land Readjustment Business Area 96, Reservation 33 | Trust beneficial interest | 19,019.71 | 4,320 | 3,589 |
| IIF Iruma Logistics Center | 660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama, etc. | Trust beneficial interest | 17,881.65 | 3,710 | 3,281 |
| IIF Tosu Logistics Center | 781-1 Aza Hiratsuka, Shuku-machi, Tosu-shi, Saga, etc. | Trust beneficial interest | 13,862.05 | 1,790 | 1,592 |
| IIF Inzai Logistics Center | 6-6, Matsuzakidai 2-chome, Inzai-shi, Chiba, etc. | Trust beneficial interest | 5,490.00 | 1,160 | 1,075 |
| IIF Morioka Logistics Center | Plot 5-44-5, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc. | Trust beneficial interest | 8,001.57 | 1,100 | 612 |

| Name of property | Location (Note 1) | Form of ownership | Leasable area (Note 2) (m ²) | Appraisal value at end of period (Note 3) (Millions of yen) | Net book value (Millions of yen) |
|--|---|---------------------------|---|--|-------------------------------------|
| IIF Hiroshima Logistics Center | 22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima | Trust beneficial interest | 22,768.24 | 4,030 | 3,596 |
| IIF Totsuka Technology Center (land with leasehold interest) | 334-1, Aza Uchikune, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc. | Trust beneficial interest | 31,442.47 | 4,960 | 4,553 |
| IIF Yokohama Tsuzuki Technology Center | 25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa | Real property | 4,655.48 | 1,290 | 1,172 |
| IIF Mitaka Card Center | 444-2, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo, etc. | Trust beneficial interest | 21,615.01 | 9,480 | 9,255 |
| IIF Shinonome R&D Center | 14-5, Shinonome 1-chome, Koto-ku, Tokyo | Trust beneficial interest | 17,045.30 | 11,400 | 9,145 |
| IIF Kamata R&D Center | 31-1, Minami-Kamata 2-chome, Ota-ku, Tokyo | Trust beneficial interest | 21,896.56 | 7,890 | 7,490 |
| IIF Kawasaki Science Center (Note 6) | 25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa | Real property | 4,857.73 | 2,730 | 2,234 |
| IIF Kobe District Heating and Cooling Center | 77-1, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo | Trust beneficial interest | 11,275.39 | 14,700 | 17,134 |
| IIF Haneda Airport Maintenance Center | 5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo | Real property | 81,995.81 | 39,600 | 40,024 |
| IIF Zama IT Solution Center | 5505-7, Higashihara 5-chome, Zama-shi, Kanagawa | Trust beneficial interest | 10,931.89 | 5,540 | 5,400 |
| IIF Shinagawa Data Center | 521-1, Futaba 2-chome, Shinagawa-ku, Tokyo, etc. | Real property | 19,547.11 | 6,760 | 5,175 |
| IIF Osaka Toyonaka Data Center | 1-38, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka | Trust beneficial interest | 20,027.14 | 6,050 | 5,651 |
| IIF Osaka Nanko IT Solution Center | 21, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka, etc. | Trust beneficial interest | 18,435.93 | 2,270 | 1,299 |
| IIF Nagoya Port Tank Terminal (land with leasehold interest) | 37-31, Shiomi-cho, Minato-ku, Nagoya-shi, Aichi | Real property | 51,583.70 | 2,180 | 1,990 |
| Total (Note 7) | | | 763,350.76 | 201,956 | 181,626 |

Note 1 “Location” means the location indicated in the land registry book or the residence indication.

Note 2 “Leasable area” means the leasable area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leasable area shows a total area of the building indicated in the registry book. Furthermore, “Leasable area” of IIF Narashino Logistics Center II is total of the leasable area of the leased land and that of the building on the leased land.

Note 3 “Appraisal value at end of period” shows the value appraised or researched by the real estate appraiser in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of the Investment Corporation as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area of the property shows 53% of the total leasable area as the share of quasi-co-ownership.

Note 5 The name of property was changed from IIF Narashino Logistics Center II (land with leasehold interest) because the Investment Corporation acquired trust beneficial interest in IIF Narashino Logistics Center II (building with leasehold interest) on February 7, 2014. As a result of the acquisition, the Investment Corporation invests both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately. Therefore, “Leasable area” of the property shows total of the leasable area of the leased land (58,070.00 m²) and that of the building on the leased land (25,835.16 m²).

Note 6 The name of property was changed from IIF Kawasaki Science Center (to be developed) because the building of the property was completed on May 16, 2014.

Note 7 “Leasable area” of IIF Narashino Logistics Center II is total of the leasable area of the leased land and that of the building on the leased land.

Operating results of each property for the six months ended December 31, 2013 and June 30, 2014 were as follows:

| Name of property | For the six months ended | | | | | | | |
|--|-------------------------------|---------------------------------|--------------------------------------|--|-------------------------------|---------------------------------|--------------------------------------|--|
| | December 31, 2013 | | | | June 30, 2014 | | | |
| | Number of tenants (Note 1) | Occupancy ratio (Note 2) (%) | Rental revenues (Millions of yen) | Ratio of rental revenue to total rental revenues (Note 2) (%) | Number of tenants (Note 1) | Occupancy ratio (Note 2) (%) | Rental revenues (Millions of yen) | Ratio of rental revenue to total rental revenues (Note 2) (%) |
| IIF Shinonome Logistics Center | 1 | 100.0 | 397 | 6.6 | 1 | 100.0 | 397 | 6.1 |
| IIF Noda Logistics Center | 2 | 100.0 | 244 | 4.0 | 2 | 100.0 | 243 | 3.7 |
| IIF Shinsuna Logistics Center | 1 | 100.0 | 173 | 2.9 | 1 | 100.0 | 173 | 2.6 |
| IIF Atsugi Logistics Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Koshigaya Logistics Center | 1 | 100.0 | 75 | 1.2 | 1 | 100.0 | 75 | 1.1 |
| IIF Nishinomiya Logistics Center | 1 | 100.0 | 60 | 1.0 | 1 | 100.0 | 60 | 0.9 |
| IIF Narashino Logistics Center (land with leasehold interest) (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Narashino Logistics Center II (Note 3 and 5) | 1 | 100.0 | 115 | 1.9 | 2 | 100.0 | — | — |
| IIF Atsugi Logistics Center II (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Yokohama Tsuzuki Logistics Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Saitama Logistics Center | 1 | 100.0 | 67 | 1.1 | 1 | 100.0 | 66 | 1.0 |
| IIF Nagoya Logistics Center | 1 | 100.0 | 48 | 0.8 | 0 | 0.0 | 68 | 1.0 |
| IIF Atsugi Logistics Center III (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Kawaguchi Logistics Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Kobe Logistics Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Higashi-Osaka Logistics Center (Note 3) | 3 | 97.1 | — | — | 3 | 97.1 | — | — |
| IIF Kashiwa Logistics Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Misato Logistics Center (Note 3) | — | — | — | — | 1 | 100.0 | — | — |
| IIF Iruma Logistics Center (Note 3) | — | — | — | — | 1 | 100.0 | — | — |
| IIF Tosu Logistics Center (Note 3) | — | — | — | — | 2 | 100.0 | — | — |
| IIF Inzai Logistics Center (Note 3) | — | — | — | — | 1 | 100.0 | — | — |
| IIF Morioka Logistics Center (Note 3) | — | — | — | — | 1 | 100.0 | — | — |

| Name of property | For the six months ended | | | | | | | |
|---|-------------------------------|---------------------------------|--------------------------------------|--|-------------------------------|---------------------------------|--------------------------------------|--|
| | December 31, 2013 | | | | June 30, 2014 | | | |
| | Number of tenants (Note 1) | Occupancy ratio (Note 2) (%) | Rental revenues (Millions of yen) | Ratio of rental revenue to total rental revenues (Note 2) (%) | Number of tenants (Note 1) | Occupancy ratio (Note 2) (%) | Rental revenues (Millions of yen) | Ratio of rental revenue to total rental revenues (Note 2) (%) |
| IIF Hiroshima Logistics Center (Note 3) | — | — | — | — | 1 | 100.0 | — | — |
| IIF Totsuka Technology Center (land with leasehold interest) | 1 | 100.0 | 154 | 2.6 | 1 | 100.0 | 154 | 2.4 |
| IIF Yokohama Tsuzuki Technology Center | 1 | 100.0 | 57 | 1.0 | 1 | 100.0 | 57 | 0.9 |
| IIF Mitaka Card Center | 1 | 100.0 | 364 | 6.0 | 1 | 100.0 | 364 | 5.6 |
| IIF Shinonome R&D Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Kamata R&D Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Kawasaki Science Center (Note 3 and 6) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Kobe District Heating and Cooling Center | 2 | 100.0 | 330 | 5.5 | 2 | 100.0 | 330 | 5.0 |
| IIF Haneda Airport Maintenance Center | 1 | 100.0 | 1,337 | 22.2 | 1 | 100.0 | 1,341 | 20.4 |
| IIF Zama IT Solution Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Shinagawa Data Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Osaka Toyonaka Data Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Osaka Nanko IT Solution Center (Note 3) | 1 | 100.0 | — | — | 1 | 100.0 | — | — |
| IIF Nagoya Port Tank Terminal (land with leasehold interest) (Note 3) | — | — | — | — | 1 | 100.0 | — | — |
| Total (Note 4 and 7) | 33 | 99.9 | 6,037 | 100.0 | 41 | 98.8 | 6,575 | 100.0 |

Note 1 “Number of tenants” shows the number of lessee for the properties. The total column of “Number of tenants” shows the simple sum for the number of lessee.

Note 2 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place.

Note 3 “Ratio of rental revenue to total rental revenues” of the properties are not disclosed because the consent from the tenants has not been obtained.

Note 4 The total column of “Occupancy ratio” shows percentage of total leased area against total leasable area at the end of accounting period. Figures are rounded to the nearest first decimal place.

Note 5 The name of property was changed from IIF Narashino Logistics Center II (land with leasehold interest) because the Investment Corporation acquired trust beneficial interest in IIF Narashino Logistics Center II (building with leasehold interest) on February 7, 2014. As a result of the acquisition, the Investment Corporation invests both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately. Therefore, “Number of tenants” as of June 30, 2014 shows total of the number of tenant of leased land and that of the building.

Note 6 The name of property was changed from IIF Kawasaki Science Center (to be developed) because the building of the property was completed on May 16, 2014.

Note 7 “Number of tenants” of IIF Narashino Logistics Center II as of June 30, 2014 is total of the number of tenant of leased land and that of the building.