

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

February 25, 2015

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
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Scheduled date for filing of securities report: March 23, 2015
Scheduled date for distributions payment: March 27, 2015
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 December 31, 2014 (July 1, 2014 to December 31, 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 December 31, 2014	6,775	3.0	3,704	1.8	2,800	2.4	2,799	1.8
June 30, 2014	6,576	8.9	3,640	10.0	2,733	8.9	2,750	9.6

	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 December 31, 2014	8,455	3.4		3.4		1.5		41.3
June 30, 2014	8,394	3.5		3.5		1.5		41.6

Note: The Investment Corporation executed a two-for-one unit split (the "Unit Split") on January 1, 2015 as the effective date. Net income per unit in the above table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on January 1, 2014.

(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		
For the six months ended December 31, 2014	Yen 16,911	Millions of yen 2,799	Yen 0	Millions of yen 0	% 100.0	% 3.4
June 30, 2014	16,617	2,750	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.
Payout ratio = Total of distributions ÷ Net income × 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 December 31, 2014	190,852		82,001		43.0		247,690	
June 30, 2014	190,840		82,004		43.0		247,698	

Note: Net asset value per unit in the above table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on January 1, 2014.

(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
December 31, 2014	4,620	(375)	(2,755)	7,974
June 30, 2014	3,513	(18,454)	11,771	6,484

2. Outlook for the six months ending June 30, 2015 (January 1, 2015 to June 30, 2015)

(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	%
June 30, 2015	7,347	8.4	3,983	7.5	3,042	8.6	3,041	8.6

	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	
June 30, 2015	8,628		8,625		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 December 31, 2014 165,532 units

As of June 30, 2014 165,532 units

Number of treasury units at end of period:

As of December 31, 2014 0 unit

As of June 30, 2014 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 22.

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) Operations, B. Outlook for the next period” on page 4-8.

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 on September 25, 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 on September 25, 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 Trusts and Investment Corporations of Japan 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 December 31, 2014.

ii. Investment environment and management performance

Recovery in the Japanese economy slowed slightly. The main factor behind this is that gross domestic product growth was negative for two consecutive quarters, reflecting slower personal consumption after the consumption tax hike in April 2014. However, the Japanese economy is expected to continue on a moderate recovery path from now on, given that corporate income remains steady, the employment and income environments are showing signs of improvement, and effects are expected from the expansion of “quantitative and qualitative monetary easing” measures by the Bank of Japan since October 2014.

The J-REIT market continues to be strong, with the Tokyo Stock Exchange REIT Index being close to 1,900 points and capitalization exceeding 10 trillion yen. This, combined with buying demand from a broad range of investors, has led to an increase in the depth of the J-REIT market. The amount of equity finance by J-REIT topped 1 trillion yen in 2013; after that it has decreased a little. Yet, the amount of funds raised by J-REITs remains at a high level, totaling over 600 billion yen in 2014.

As a result, the properties IIF owned as of December 31, 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 December 31, 2014 was 763,350.76 m², and the average occupancy rate was 98.8%.

iii. Funding

a) Debt Financing

IIF did not raise funds through debt financing during the current period. As of December 31,

2014, our total interest bearing debt was 96,400 million yen, which was comprised of 84,400 million yen in long-term loans payable in the form of borrowings and 12,000 million yen in investment corporation bonds.

b) Equity Financing

IIF did not raise funds through equity financing during the current period.

iv. Overview of financial results and distribution

As a result of the abovementioned management activities, IIF recorded operating revenue of 6,775 million yen, operating income of 3,704 million yen, ordinary income of 2,800 million yen and net income of 2,799 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 16,911 yen.

B Outlook for the next period

i. Outlook for the overall management

Overall, the world economy is expected to continue improving steadily centering on the U.S., despite a slight slowdown in the economies of emerging countries. The Japanese economy is also projected to recover continuously at a gradual pace, reflecting such factors as the effects of monetary policies.

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.

Especially for logistics facilities, occupancy rates and rent levels are expected to be maintained at a stable level, 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 corporate sector's performance, IIF is expected to see a rise in investment opportunities through its property acquisition activities based on the CRE (Corporate Real Estate) proposal, which is an expertise of IIF. As for manufacturing and R&D facilities, key facilities are likely to continue to be maintained and established in Japan, and the properties managed by IIF based on long-term lease contracts are expected to see continuous, stable usage given the importance in their businesses. In the infrastructure facilities segment, sales of properties are anticipated as the trend of separation of ownership and management is expected to accelerate in both the public and private sectors.

ii. Issues to be resolved

Under the environment described above, IIF will seek to create and maintain a portfolio that generates stable income to achieve sustainable growth of unitholder's 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 December 31, 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 10.0 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

a) Issuance of new investment units

At IIF's Board of Directors Meeting held on February 25, 2015, Board of Directors have resolved to issue new investment units as outlined below. The offer price per unit is to be determined at the Board of Directors Meeting that is scheduled to be held in early March 2015.

[Issuance of new investment units]

< Investment units shall be offered through a public offering in Japan ("Japanese Offering") and in international markets, consisting mainly of the U.S., European and Asian markets (provided,

however, that offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (referred to as “International Offering” and collectively with the Japanese Offering, the “Offerings”).>

Number of investment units to be offered: 20,988 investment units, out of which 10,238 new units are to be offered through the Japanese Offering and 10,750 new units are to be offered through the International Offering, although the breakdown of the number of new investment units to be offered shall be finally determined within 20,988 investment units considering demand and other factors at the Board of Directors Meeting to be held early in March, 2015 (hereinafter referred to as the “Determination Date of the Issue Price”).

[Issuance of new investment units through third-party allotment]

Number of investment units to be offered: 512 investment units

Allottee: Nomura Securities Co., Ltd.

There may be cases where there will be no subscription for the investment units offered in the third-party allotment in whole or in part, and the final number of investment units placed under the third-party allotment may decrease accordingly due to forfeiture, or such allotment itself may be cancelled entirely.

[Use of the proceed]

The Investment Corporation will use the net proceeds from the Offerings and the third-party allotment for acquisition of additional specified assets.

For further detail, please refer to the news release, “IIF to Issue New Investment Units and Conduct Secondary Offering of Investment Units,” dated February 25, 2015.

b) Financial outlook

IIF expects to record operating revenue of 7,347 million yen, ordinary income of 3,042 million yen, net income of 3,041 million yen and distribution per unit of 8,625 yen for the 16th Period (January 1, 2015 to June 30, 2015).

In addition, as indicated in “Notice Concerning Forecasts of Operating Results and Distribution for the June 2015 (16th) and December 2015 (17th) Fiscal Periods,” dated February 25, 2015, which was announced pursuant to the notice on public offering announced on the same date, for the 17th Period (January 1, 2015 to June 30, 2015), IIF expects to record operating revenue of 7,817 million yen, operating income of 4,211 million yen, ordinary income of 3,223 million yen, net income of 3,222 million yen and distribution per unit of 9,139 yen. For details of the assumptions made in this forecast, please see “Assumptions for Earnings Forecast for the 16th Period (period ending June 30, 2015) and 17th Period (period ending December 31, 2015)” below.

Note The forecast mentioned above is the current forecast calculated 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 16th Period (period ending June 30, 2015) and the 17th Period (period ending December 31, 2015)

Item	Assumptions
Calculation period	16th Period: January 1, 2015 to June 30, 2015 (181 days) 17th Period: July 1, 2015 to December 31, 2015 (184 days)
Properties owned	<p>Assumption is made based on the 36 real properties and trust beneficiary interests owned by IIF as of December 31, 2014, and six real properties and trust beneficiary interests to be acquired by IIF. For the six properties to be acquired, we have entered into purchase agreements or memoranda of understanding and the closing for each property is scheduled as follows:</p> <p><March 17, 2015> IIF Shinagawa IT Solution Center <March 20, 2015> IIF Izumiotsu e-shop Logistics Center (<i>land with leasehold interest</i>) IIF Sagamihara R&D Center <March 24, 2015> IIF Izumisano Food Processing and Logistics Center <April 1, 2015> IIF Kyotanabe Logistics Center <May 29, 2015> IIF Fukuoka Koga Vehicle Logistics Center</p> <p>While we assume that we will not acquire properties other than the above, or dispose of any properties during the fiscal periods ending June 30, 2015 and December 31, 2015, deviations from our forecasts may occur due to acquisitions, disposals or similar activities relating to other properties.</p>
Interest-bearing debt	There is no interest-bearing debt that reaches its repayment date during the 16th Period and 17th Period. For the acquisition of properties mentioned in “property owned” above, procurement of long-term borrowings in total of 11,800 million yen are assumed. Interest-bearing debt is assumed to be 108,200 million yen as of June 30, 2015 and December 31, 2015
Operating revenue	In the 16th Period and 17th Period, it is assumed that there will be no back rent or nonpayment by tenants based on the assumptions made for “properties owned” above. It is also assumed that properties for which lease contracts will expire during these fiscal periods shall continue to generate revenues at the same level currently generated.
Operating expense	<p>For the 16th Period, property tax, urban planning tax and depreciable property tax of approximately 595 million yen and a repair cost of approximately 70 million yen are assumed. Property tax and urban planning tax that will be settled when acquiring a new property based on the number of days a former owner owns such property will not be recognized as expenses since they will be included in acquisition cost. For the 17th Period, property tax, urban planning tax and depreciable property tax of approximately 633 million yen and a repair cost of approximately 70 million yen are assumed.</p> <p>Outsourcing expense (property management fee, building management commission fee, etc.) is calculated based on past expenses.</p>
Non-operating expense	<p>Based on the assumptions made in “interest-bearing debt” above, interest expense and other borrowing-related expenses, interest expense on investment corporation bonds and amortization of investment corporation bond issuance costs of approximately 845 million yen is assumed for the 16th Period and approximately 894 million yen for 17th Period.</p> <p>The amortization expense for the issuance cost of new investment units is expected to be approximately 92 million yen for the 16th Period and approximately 92 million yen for the 17th Period. The issuance cost of new investment units is planned to be amortized by the straight-line method over 36 months.</p>

Issuance of investment units	The forecast assumes, in addition to the outstanding investment units of 331,064 as of December 31, 2014, as resolved at the meeting of Board of Directors held on February 25, 2015, the full issuance of 21,500, which consists of 20,988 units to be offered through public offering and 512 units to be offered through third-party allotment.
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 sheets

		(Thousands of yen)	
		As of	
		June 30, 2014	December 31, 2014
ASSETS			
Current assets:			
Cash and bank deposits	3,431,240	5,229,854	
Cash and bank deposits in trust	3,052,874	2,744,697	
Rental receivables	122,531	90,242	
Prepaid expenses	764,937	473,240	
Deferred tax assets	17	15	
Consumption taxes refundable	296,886	-	
Other	44	129	
Total current assets	7,668,532	8,538,180	
Noncurrent assets:			
Property, plant and equipment:			
Buildings, at cost	31,150,820	31,334,512	
Less: Accumulated depreciation	(3,491,529)	(3,819,501)	
Buildings, net	27,659,291	27,515,011	
Structures, at cost	76,235	81,215	
Less: Accumulated depreciation	(2,897)	(5,153)	
Structures, net	73,337	76,062	
Machinery and equipment, at cost	11,892	11,892	
Less: Accumulated depreciation	(6,092)	(8,078)	
Machinery and equipment, net	5,800	3,814	
Tools, furniture and fixtures, at cost	7,469	7,469	
Less: Accumulated depreciation	(359)	(826)	
Tools, furniture and fixtures, net	7,110	6,642	
Land	14,901,983	14,911,969	
Construction in progress	12,766	12,766	
Buildings in trust, at cost	49,159,196	49,322,785	
Less: Accumulated depreciation	(4,996,288)	(5,633,676)	
Buildings in trust, net	44,162,908	43,689,109	
Structures in trust, at cost	455,753	459,679	
Less: Accumulated depreciation	(280,016)	(305,168)	
Structures in trust, net	175,737	154,510	
Machinery and equipment in trust, at cost	11,006	11,006	
Less: Accumulated depreciation	(538)	(1,147)	
Machinery and equipment in trust, net	10,468	9,859	
Tools, furniture and fixtures in trust, at cost	6,515	6,515	
Less: Accumulated depreciation	(2,886)	(3,291)	
Tools, furniture and fixtures in trust, net	3,628	3,223	
Land in trust	74,778,890	74,778,890	
Total net property, plant and equipment	161,791,922	161,161,860	
Intangible assets:			
Leasehold right (Note 1)	19,833,966	19,833,966	
Other	1,547	1,451	
Total intangible assets	19,835,514	19,835,417	
Investments and other assets:			
Investment securities	11,787	10,334	
Lease and guarantee deposits	11,333	11,515	
Long-term prepaid expenses	1,173,080	1,043,759	
Total investments and other assets	1,196,200	1,065,609	
Total noncurrent assets	182,823,637	182,062,887	
Deferred assets:			
Investment unit issuance costs	285,074	194,058	
Investment corporation bonds issuance costs	62,762	56,928	
Total deferred assets	347,837	250,987	
TOTAL ASSETS	190,840,007	190,852,054	

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

(Thousands of yen)

	As of	
	June 30, 2014	December 31, 2014
LIABILITIES		
Current liabilities:		
Operating accounts payable	244,156	351,910
Accounts payable – other	399,762	371,207
Accrued expenses	6,328	13,843
Income taxes payable	737	721
Consumption taxes payable	-	363,098
Advances received	1,557,505	1,186,304
Other	114,508	7,851
Total current liabilities	2,322,998	2,294,937
Noncurrent liabilities:		
Investment corporation bonds – unsecured	12,000,000	12,000,000
Long-term loans payable	84,400,000	84,400,000
Tenant leasehold and security deposits	2,114,725	2,125,210
Tenant leasehold and security deposits in trust	7,700,977	7,691,091
Derivatives liabilities	240,248	291,573
Other	56,998	47,821
Total noncurrent liabilities	106,512,949	106,555,697
TOTAL LIABILITIES	108,835,947	108,850,634
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	79,493,577	79,493,577
Surplus:		
Retained earnings	2,750,730	2,799,415
Total surplus	2,750,730	2,799,415
Total unitholders' equity	82,244,308	82,292,993
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	(240,248)	(291,573)
Total valuation and translation adjustments	(240,248)	(291,573)
TOTAL NET ASSETS (Note 2)	82,004,059	82,001,420
TOTAL LIABILITIES AND NET ASSETS	190,840,007	190,852,054

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

(2) Statements of income and retained earnings

(Thousands of yen)

	For the six months ended	
	June 30, 2014	December 31, 2014
Operating revenue		
Rent revenue—real estate (Note 3)	6,575,945	6,775,253
Dividend income from investment in Tokumei Kumiai	335	319
Total operating revenue	6,576,281	6,775,573
Operating expenses		
Expenses related to property rental business (Note 3)	2,259,145	2,371,395
Asset management fees	569,167	577,243
Directors' compensations	5,820	5,820
Asset custody fees	6,240	6,310
Administrative service fees	29,313	29,899
Other	66,506	80,468
Total operating expenses	2,936,192	3,071,137
Operating income	3,640,088	3,704,436
Non-operating income		
Interest income	929	683
Interest on refund	-	1,205
Reversal of distribution payable	500	746
Total non-operating income	1,429	2,635
Non-operating expenses		
Interest expenses	594,942	602,566
Interest expenses on investment corporation bonds	48,926	58,217
Amortization of investment corporation bonds issuance costs	5,018	5,834
Borrowing related expenses	166,784	148,376
Amortization of investment unit issuance costs	89,600	91,015
Other	2,496	802
Total non-operating expenses	907,769	906,813
Ordinary income	2,733,748	2,800,258
Extraordinary income		
Insurance income	17,954	-
Total extraordinary income	17,954	-
Income before income taxes	2,751,702	2,800,258
Income taxes		
Current	994	925
Deferred	(2)	2
Total income taxes	992	927
Net income	2,750,710	2,799,330
Retained earnings brought forward	20	85
Unappropriated retained earnings	2,750,730	2,799,415

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

(3) Statements of changes in net assets

(Thousands of yen)

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

For the six months ended December 31, 2014

	Unitholders' equity			Valuation and translation adjustments			
	Surplus				Total		
	Unitholders' capital (Note 2)	Retained earnings	Total surplus	Total unitholders' equity	Deferred gains or (losses) on hedges	valuation and translation adjustments	Total net assets
Balance as of July 1, 2014	79,493,577	2,750,730	2,750,730	82,244,308	(240,248)	(240,248)	82,004,059
Changes during the period							
Dividends from surplus	—	(2,750,645)	(2,750,645)	(2,750,645)	—	—	(2,750,645)
Net income	—	2,799,300	2,799,300	2,799,300	—	—	2,799,330
Net changes of items other than unitholders' equity	—	—	—	—	(51,325)	(51,325)	(51,325)
Total changes during the period	—	48,685	48,685	48,685	(51,325)	(51,325)	(2,639)
Balance as of December 31, 2014	79,493,577	2,799,415	2,799,415	82,292,993	(291,573)	(291,573)	82,001,420

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

(4) Statements of cash distributions

(Yen)

	For the six months ended	
	June 30, 2014	December 31, 2014
Unappropriated retained earnings	2,750,730,604	2,799,415,931
Cash distribution declared	2,750,645,244	2,799,311,652
(Cash distribution declared per unit)	(16,617)	(16,911)
Retained earnings carried forward	85,360	104,279

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 June 30, 2014 and December 31, 2014 were ¥2,750,645,244 and ¥2,799,311,652, 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) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	June 30, 2014	December 31, 2014
Net cash provided by (used in) operating activities:		
Income before income taxes	2,751,702	2,800,258
Depreciation and amortization	955,519	996,273
Amortization of investment corporation bonds issuance costs	5,018	5,834
Amortization of investment unit issuance costs	89,600	91,015
Interest income	(929)	(683)
Interest expenses	643,868	660,784
Insurance income	(17,954)	-
Changes in assets and liabilities:		
Decrease (increase) in operating accounts receivable	(27,282)	32,289
Decrease (increase) in consumption taxes refundable	(289,803)	290,292
Decrease (increase) in prepaid expenses	(329,913)	291,696
Decrease (increase) in long-term prepaid expenses	(47,816)	129,320
Increase (decrease) in operating accounts payable	(14,819)	71,638
Increase in accounts payable - other	33,531	9,090
Increase (decrease) in accrued expenses	(3,857)	3,767
Increase (decrease) in consumption taxes payable	(216,238)	370,092
Increase (decrease) in advances received	520,783	(371,200)
Decrease in other noncurrent liabilities	(8,115)	(8,181)
Other, net	54,014	(48,157)
Subtotal	4,097,309	5,324,129
Interest income received	928	683
Interest expenses paid	(647,590)	(657,036)
Insurance income received	68,968	-
Payments for loss on disaster	(5,126)	(45,888)
Income taxes paid	(1,002)	(941)
Net cash provided by operating activities	3,513,487	4,620,947
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(3,716,999)	(192,687)
Purchases of property, plant and equipment in trust	(15,406,873)	(125,790)
Purchases of intangible assets	(1,100)	(118)
Proceeds from tenant leasehold and security deposits	194,910	63
Payments of tenant leasehold and security deposits	(36)	(48,000)
Proceeds from tenant leasehold and security deposits in trust	639,474	3,924
Payments of tenant leasehold and security deposits in trust	(160,843)	(13,810)
Payments for lease and guarantee deposits	(1,333)	(181)
Purchase of investment securities	(2,702)	-
Proceeds from refund of investment securities	915	1,452
Net cash used in investing activities	(18,454,589)	(375,149)
Net cash provided by (used in) financing activities:		
Proceeds from long-term loans payable	7,400,000	-
Repayments of long-term loans payable	(2,000,000)	-
Proceeds from issuance of investment corporation bonds	2,000,000	-
Payments of investment corporation bonds issuance costs	(16,116)	(3,618)
Proceeds from issuance of investment units	7,055,994	-
Payments for investment unit issuance expenses	(157,445)	-
Dividends paid	(2,509,961)	(2,750,748)
Other	(959)	(995)
Net cash provided by (used in) financing activities	11,771,511	(2,755,361)
Net change in cash and cash equivalents	(3,169,590)	1,490,436
Cash and cash equivalents at beginning of period	9,653,706	6,484,115
Cash and cash equivalents at end of period (Note 4)	6,484,115	7,974,552

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 by using the equity method of accounting.

(b) Property, plant and equipment

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, 2014.

(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	
	June 30, 2014	December 31, 2014
Authorized	4,000,000 units	4,000,000 units
Issued and outstanding	165,532 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 June 30, 2014 and December 31, 2014 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	June 30, 2014	December 31, 2014
Rent revenue—real estate:		
Rental and parking revenue	6,232,791	6,474,256
Common area charges	275,911	281,482
Other	67,242	19,515
Total rent revenue—real estate	6,575,945	6,775,253
Expenses related to property rental business:		
Property management fees	50,814	31,903
Facility management fees	83,248	86,065
Utilities	259,739	278,669
Property-related taxes	498,740	557,661
Insurance	17,669	20,090
Repair and maintenance	55,942	58,414
Depreciation	955,519	996,273
Trust fees	12,404	13,001
Leasehold rents	324,701	328,922
Other	366	394
Total expenses related to property rental business	2,259,145	2,371,395
Operating income from property leasing activities	4,316,799	4,403,858

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	
	June 30, 2014	December 31, 2014
Cash and bank deposits	3,431,240	5,229,854
Cash and bank deposits in trust	3,052,874	2,744,697
Cash and cash equivalents	6,484,115	7,974,552

(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 June 30, 2014 and December 31, 2014 scheduled to be received are summarized as follows:

	As of	
	June 30, 2014	December 31, 2014
Due within one year	12,094,349	11,671,638
Due after one year	81,744,282	77,894,545
Total	93,838,632	89,566,184

(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 by 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 June 30, 2014 and December 31, 2014.

(Thousands of yen)

	As of					
	June 30, 2014			December 31, 2014		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	3,431,240	3,431,240	—	5,229,854	5,229,854	—
(2) Cash and bank deposits in trust	3,052,874	3,052,874	—	2,744,697	2,744,697	—
Total assets	6,484,115	6,484,115	—	7,974,552	7,974,552	—
(1) Investment corporation bonds—unsecured	12,000,000	12,273,770	273,770	12,000,000	12,405,180	405,180
(2) Long-term loans payable	84,400,000	87,474,945	3,074,945	84,400,000	87,867,068	3,467,068
(3) Tenant leasehold and security deposits	48,000	47,982	(17)	—	—	—
(4) Tenant leasehold and security deposits in trust	1,051,826	991,330	(60,496)	1,054,472	1,011,130	(43,341)
Total liabilities	97,499,826	100,788,028	3,288,201	97,454,472	101,283,378	3,828,906
Derivatives (derivatives liabilities), net	(240,248)	(240,248)	—	(291,573)	(291,573)	—

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) Investment corporation bonds—unsecured

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

(2) 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.

(3) Tenant leasehold and security deposits and (4) 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	
	June 30, 2014	December 31, 2014
Investment securities	11,787	10,334
Total assets	11,787	10,334
Tenant leasehold and security deposits	2,066,725	2,125,210
Tenant leasehold and security deposits in trust	6,649,150	6,636,619
Total liabilities	8,715,875	8,761,830

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 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	-	-	-	-	-

(Thousands of yen)						
As of December 31, 2014	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	5,229,854	-	-	-	-	-
Cash and bank deposits in trust	2,744,697	-	-	-	-	-
Total	7,974,552	-	-	-	-	-

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

(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

(Thousands of yen)						
As of December 31, 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	-	2,000,000	20,600,000	13,500,000	7,900,000	40,400,000
Total	-	7,000,000	20,600,000	13,500,000	7,900,000	47,400,000

Note 7 – Derivative instruments

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

(Thousands of yen)						
As of June 30, 2014						
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)	-

(Thousands of yen)						
As of December 31, 2014						
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	(291,573)	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 June 30, 2014 and December 31, 2014.

Note 9 – Income taxes

Deferred tax assets consist of the following:

	(Thousands of yen)	
	As of	
	June 30, 2014	December 31, 2014
Deferred tax assets, current:		
Enterprise tax payable	17	15
Total	17	15
Net deferred tax assets, current	17	15
Deferred tax assets, noncurrent:		
Deferred losses on hedges	82,068	99,572
Subtotal	82,068	99,572
Valuation allowance	(82,068)	(99,572)
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	
	June 30, 2014	December 31, 2014
Statutory tax rates	36.59%	34.16%
Deductible cash distributions	(36.58)	(34.15)
Other	0.03	0.02
Effective tax rates	0.04%	0.03%

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 aggregate for the six months ended and June 30, 2014 and December 31, 2014.

(Thousands of yen)

	As of / For the six months ended	
	June 30, 2014	December 31, 2014
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	163,552,650	181,626,985
Net increase (decrease) during the period ⁽ⁱⁱ⁾	18,074,335	(630,100)
Balance at the end of the period	181,626,985	180,996,885
Fair value⁽ⁱⁱⁱ⁾	201,956,000	205,411,000

Note:

(i) The net book value includes leasehold right.

(ii) 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

For the six months ended December 31, 2014:

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

(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 June 30, 2014 and December 31, 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 June 30, 2014 and December 31, 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
	June 30, 2014	December 31, 2014	
Japan Airlines Co., Ltd.	1,341,505	1,345,596	Property rental business

(Thousands of yen)

Note 13 – Per unit information

The Investment Corporation executed a two-for-one unit split (the “Unit Split”) with December 31, 2014 as the record date and January 1, 2015 as the effective date for the Unit Split. Following table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on January 1, 2014.

	As of / For the six months ended		
	June 30, 2014	December 31, 2014	December 31, 2014
	(Yen)		(U.S. dollars)
Pro forma net asset value per unit	¥ 247,698	¥ 247,690	\$ 2,054
Pro forma net income per unit	8,394	8,455	70

The pro forma net income per unit is calculated by dividing the net income attributable to unitholders by the adjusted weighted average number of units outstanding during the six-month period as if the Unit Split had been effective on January 1, 2014. The Investment Corporation has no potentially dilutive units.

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

	For the six months ended		
	June 30, 2014	December 31, 2014	December 31, 2014
	(in thousands of yen)		(in thousands of U.S. dollars)
Net income.....	¥ 2,750,710	¥ 2,799,330	\$ 23,221
Effect of dilutive units	-	-	-
Net income attributable to unitholders	2,750,710	2,799,330	23,221
Adjusted weighted-average number of units outstanding for the period	327,676 units	331,064 units	331,064 units

Note 14 – Subsequent events

Unit Split

The Investment Corporation implemented a split of its investment units on a two-for-one basis with December 31, 2014 as the record date and January 1, 2015 as the effective date for the Unit Split.

(a) 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.

(b) 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, has been split into two units.

(c) 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) Increase in the number of units due to 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

Please refer to Note 13 for pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on January 1, 2014.

Issuance of new investment units

The Board of Directors of the Investment Corporation, at its meeting held on February 25, 2015, resolved to issue new investment units as follows.

(a) Issuance of new investment units through public offering

Investment units shall be offered through a public offering in Japan (“Japanese Offering”) and in international markets, consisting mainly of the U.S., European and Asian markets (provided, however, that offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933) (referred to as “International Offering” and collectively with the Japanese Offering, the “Offerings”).

Number of new investment units to be offered:

20,988 investment units, out of which 10,238 new units are to be offered through the Japanese Offering and 10,750 new units are to be offered through the International Offering consisting of 10,238 new units to be underwritten and purchased by international underwriters and an option to purchase up to an aggregate of 512 additional new units granted to the international underwriters, although the breakdown of the number of new investment units to be offered shall be finally determined within 20,988 investment units considering demand and other factors at the Board of Directors Meeting to be held early in March, 2015 (hereinafter referred to as the “Determination Date of the Issue Price”).

(b) Issuance of new investment units through third-party allotment

Number of new investment units: 512 investment units

Allottee: Nomura Securities Co., Ltd.

There may be cases where there will be no subscription for the investment units offered in the third-party allotment in whole or in part, and the final number of investment units placed under the third-party allotment may decrease accordingly due to forfeiture, or such allotment itself may be cancelled entirely.

(c) Use of proceeds

The Investment Corporation will use the net proceeds from the Offerings and the third-party allotment for acquisition of additional specified assets.

The issue price of the new investment units through the Offerings and the third-party allotment shall be determined at the Board of Directors Meeting to be held early in March on the Determination Date of the Issue Price.

[Omission of disclosure]

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

(9) Changes in unit issued and outstanding

There was no change in unitholders' capital for the six months ended December 31, 2014. The outline of changes in unitholders' capital for the 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 June 30, 2014		As of December 31, 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	11,760	6.2	11,840	6.2
			Osaka and Nagoya metropolitan areas	3,543	1.9	3,554	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	45,200	23.7	44,967	23.6
			Osaka and Nagoya metropolitan areas	1,990	1.0	1,998	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	77,252	40.5	76,981	40.3
			Osaka and Nagoya metropolitan areas	6,590	3.4	6,545	3.4
			Other area	3,596	1.9	3,571	1.9
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	2,205	1.2	2,190	1.1
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	5,400	2.8	5,365	2.8
			Osaka and Nagoya metropolitan areas	24,085	12.6	23,981	12.6
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
Sub-total				181,626	95.2	180,996	94.8
Investments in Tokumei Kumiai agreement (Note 3)				11	0.0	10	0.0
Bank deposits and other assets				9,201	4.8	9,844	5.2
Total assets				190,840	100.0	190,852	100.0
Total liabilities				108,835	57.0	108,850	57.0
Total net assets				82,004	43.0	82,001	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 December 31, 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	39,792	81,995.81	81,995.81	100.0	19.9	Infrastructure facility
IIF Kobe District Heating and Cooling Center	17,009	11,275.39	11,275.39	100.0	4.9	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	13,209	27,493.29	27,493.29	100.0	5.9	Logistics facility
IIF Mitaka Card Center	9,258	21,615.01	21,615.01	100.0	5.4	Manufacturing and R&D facility, etc.
IIF Shinonome R&D Center (Note 5)	9,112	17,045.30	17,045.30	100.0	—	Manufacturing and R&D facility, etc.
IIF Kamata R&D Center (Note 5)	7,472	21,896.56	21,896.56	100.0	—	Manufacturing and R&D facility, etc.
IIF Noda Logistics Center (Note 5)	5,719	38,828.10	38,828.10	100.0	—	Logistics facility
IIF Osaka Toyonaka Data Center (Note 5)	5,681	20,027.14	20,027.14	100.0	—	Infrastructure facility
IIF Zama IT Solution Center (Note 5)	5,365	10,931.89	10,931.89	100.0	—	Infrastructure facility
IIF Kobe Logistics Center (Note 5)	5,337	39,567.74	39,567.74	100.0	—	Logistics facility
Total	117,958	290,676.23	290,676.23	100.0	63.3	

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 December 31, 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	15,741	13,209
IIF Noda Logistics Center	340-13, Aza Tamedai, Nishi-sangao, Noda-shi, Chiba, etc.	Trust beneficial interest	38,828.10	7,700	5,719
IIF Shinsuna Logistics Center	2458-5, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	6,660	5,244
IIF Atsugi Logistics Center	6-19, Aza Ikoda, Hase, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	10,959.68	2,070	1,743
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	2,510	1,862
IIF Nishinomiya Logistics Center	2, Nishinomiyahama 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	10,608.00	1,650	1,207
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	2,390	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	5,940	4,656
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	3,610	3,313
IIF Yokohama Tsuzuki Logistics Center	747-1, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	9,464.03	2,970	2,374
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama, etc.	Trust beneficial interest	8,995.00	1,950	1,527
IIF Nagoya Logistics Center	34, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi, etc.	Real property	8,721.01	1,300	1,152
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	2,780	2,346
IIF Kawaguchi Logistics Center	4829 Midori-cho, Kawaguchi-shi, Saitama, etc.	Real property	11,705.02	3,560	2,043
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo, etc.	Trust beneficial interest	39,567.74	6,500	5,337
IIF Higashi-Osaka Logistics Center	701-2, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka, etc.	Real property	20,461.73	2,810	2,402
IIF Kashiwa Logistics Center	1027-1, Aza Miyagohara, Washinoya, Kashiwa-shi, Chiba, etc.	Real property	17,373.53	2,540	1,874
IIF Misato Logistics Center	Misato Interchange A District, Land Readjustment Business Area 96, Reservation 33	Trust beneficial interest	19,019.71	4,400	3,572
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama, etc.	Trust beneficial interest	17,881.65	3,840	3,258
IIF Tosu Logistics Center	781-1 Aza Hiratsuka, Shuku-machi, Tosu-shi, Saga, etc.	Trust beneficial interest	13,862.05	1,790	1,582
IIF Inzai Logistics Center	6-6, Matsuzakidai 2-chome, Inzai-shi, Chiba, etc.	Trust beneficial interest	5,490.00	1,180	1,069
IIF Morioka Logistics Center	Plot 5-44-5, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,110	607

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	4,090	3,571
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	5,030	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,290	1,171
IIF Mitaka Card Center	444-2, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo, etc.	Trust beneficial interest	21,615.01	9,620	9,258
IIF Shinonome R&D Center	14-5, Shinonome 1-chome, Koto-ku, Tokyo	Trust beneficial interest	17,045.30	11,600	9,112
IIF Kamata R&D Center	31-1, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,020	7,472
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	2,780	2,213
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	17,009
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	40,400	39,792
IIF Zama IT Solution Center	5505-7, Higashihara 5-chome, Zama-shi, Kanagawa	Trust beneficial interest	10,931.89	5,540	5,365
IIF Shinagawa Data Center	521-1, Futaba 2-chome, Shinagawa-ku, Tokyo, etc.	Real property	19,547.11	6,910	5,175
IIF Osaka Toyonaka Data Center	1-38, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	5,980	5,681
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	1,290
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	1,998
Total (Note 6)			763,350.76	205,411	180,996

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 “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 June 30, 2014 and December 31, 2014 were as follows:

Name of property	For the six months ended							
	June 30, 2014				December 31, 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	6.1	1	100.0	397	5.9
IIF Noda Logistics Center (Note 3)	2	100.0	—	—	2	100.0	—	—
IIF Shinsuna Logistics Center	1	100.0	173	2.6	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	1.1	1	100.0	75	1.1
IIF Nishinomiya Logistics Center	1	100.0	60	0.9	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 (Notes 3 and 5)	2	100.0	—	—	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	66	1.0	1	100.0	66	1.0
IIF Nagoya Logistics Center	0	0.0	68	1.0	0	0.0	—	—
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	—	—	1	100.0	—	—
IIF Iruma Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Tosu Logistics Center (Note 3)	2	100.0	—	—	2	100.0	—	—
IIF Inzai Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Morioka Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—

Name of property	For the six months ended							
	June 30, 2014				December 31, 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	—	—	1	100.0	—	—
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	154	2.4	1	100.0	154	2.3
IIF Yokohama Tsuzuki Technology Center	1	100.0	57	0.9	1	100.0	58	0.9
IIF Mitaka Card Center	1	100.0	364	5.6	1	100.0	364	5.4
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)	1	100.0	—	—	1	100.0	—	—
IIF Kobe District Heating and Cooling Center	2	100.0	330	5.0	2	100.0	330	4.9
IIF Haneda Airport Maintenance Center	1	100.0	1,341	20.4	1	100.0	1,346	19.9
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	—	—	1	100.0	—	—
Total (Notes 4 and 6)	41	98.8	6,575	100.0	41	98.8	6,775	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 “Number of tenants” of IIF Narashino Logistics Center II is total of the number of tenant of leased land and that of the building.