

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

February 16, 2016

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 24, 2016
Scheduled date for distributions payment: March 18, 2016
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, 2015 (July 1, 2015 to December 31, 2015)

(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, 2015	7,788	5.9	4,277	6.0	3,288	6.0	3,287	6.0
June 30, 2015	7,357	8.6	4,036	9.0	3,102	10.8	3,101	10.8

	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, 2015	9,324	3.5	1.5	42.2
June 30, 2015	9,021	3.5	1.5	42.2

(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 December 31, 2015	9,324	3,287	0	0	100.0	3.5
June 30, 2015	8,796	3,101	0	0	100.0	3.4

(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, 2015	215,694	93,817	43.5	266,100
June 30, 2015	214,877	93,677	43.6	265,703

(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, 2015	5,288	(1,195)	(3,102)	10,389
June 30, 2015	3,455	(22,190)	20,159	9,398

2. Outlook for the six months ending June 30, 2016 (January 1, 2016 to June 30, 2016)

(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, 2016	7,958	2.2	4,322	1.1	3,368	2.4	3,367	2.4

	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	
June 30, 2016	9,550		9,550		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, 2015 352,564 units

As of June 30, 2015 352,564 units

Number of treasury units at end of period:

As of December 31, 2015 0 unit

As of June 30, 2015 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) Operations, B. Outlook for the next period” on page 4-7.

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 on September 25, 2015), 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, 2015), 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 43 properties whose total acquisition price amounted to 204,529 million yen as of December 31, 2015.

ii. Investment environment and management performance

The Japanese economy maintained a modest recovery during the period (July-December 2015) despite the negative impact of the unstable global economy. The gross domestic product (GDP), which turned negative for the first time in three quarters in the April-June 2015 quarter, returned to positive territory in the July-September quarter. While it is at somewhat of a standstill, the economy has maintained a modest recovery. The stock market in Japan started on a downward trend due partly to the sovereign debt crisis in Greece and the plunge in the Chinese stock market since the second half of June. Although the market rebounded in July, it fell sharply following the global market turmoil and subsequent plunge caused by three-day renminbi devaluation in August by the People’s Bank of China (the central bank). The market has shown signs of moderating since mid-September and is picking up gradually. In December, the Federal Open Market Committee (FOMC) increased the federal funds rate for the first time since June 2006 based on the robust outlook for the US economy. While modest growth is expected to continue mainly in developed countries, there are concerns over unstable market conditions due partly to the economic slowdown in emerging countries including China.

While the J-REIT market dropped temporarily to about 1,500 points due partly to the aforementioned plunge in the Chinese stock market and the sovereign debt crisis in Greece since the second half of June as well as the devaluation of Chinese renminbi in mid-August, it recovered to about 1,700 points through the end of December. Meanwhile, the amount of equity finance by J-REITs including new listings reached 760 billion yen between January and December 2015, continuing to be active, as is the case with last year.

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. In November 2015, IIF acquired IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest) for an

acquisition price of 690 million yen. In December 2015, IIF decided to acquire IIF Fukuoka Higashi Logistics Center for an acquisition price of 1,860 million yen (acquisition completed on January 18, 2016).

As a result, the properties IIF owned as of December 31, 2015 consisted of 27 logistics facilities, nine infrastructure facilities and seven manufacturing, R&D and other facilities, whose total acquisition price amounted to 204,529 million yen. The total leasable area as of December 31, 2015 was 924,582.32 m², and the average occupancy rate was 99.7%.

iii. Funding

a) Debt Financing

IIF did not raise funds through debt financing during the current period. As of December 31, 2015, our total interest bearing debt was 108,200 million yen, which was comprised of 96,200 million yen in long-term loans payable in the form of borrowings (including long-term loans to be repaid within one year) and 12,000 million yen in investment corporation bonds (including investment corporation bond to be redeemed within one year).

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 7,788 million yen, operating income of 4,277 million yen, ordinary income of 3,288 million yen and net income of 3,287 million yen for the current period. For distributions, IIF includes 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). As a result, the distribution per unit for the period is 9,324 yen.

B Outlook for the next period

i. Outlook for the overall management

Close attention must be paid to a risk of downward pressure on the global economy from concerns over a slowdown in the Chinese economy and overseas economic conditions as well as changes in the financial and capital markets. Amid continued improvement in the employment and income environment, the Japanese economy is projected to recover at a gradual pace, reflecting such factors as the effects of various government policies.

In the real estate market, the investment environment for properties in Japan continues to improve on the strength of the financing ease and a bottoming out of the rental market. Especially for logistics facilities, vacancy rates are continuing to be low 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 growth in e-commerce. 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 R&D facilities, key facilities are likely to continue to be maintained and new facilities are to be 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 solved and management policy going forward

Under the situation 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 expand the portfolio through acquisition of prime properties, leveraging its unique strengths as the only listed J-REIT specializing in industrial properties, creating a flexible 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, 2015, the portfolio owned by IIF consisted of 43 properties for a total acquisition price of 204,529 million yen.

The average occupancy rate currently stands at 99.7%. The properties are managed under long-term lease contracts with an average remaining lease period of 8.5 years, generating stable cash flows.

IIF continues to conduct "3C Management Cycle" portfolio management in order to achieve internal growth; that is to realize long-term stable management and enhanced profitability and asset value by providing value to tenants. "3C Management Cycle" is a portfolio management method of (i) grasping tenants' true needs through close communication (Communicate); (ii) strategically making custom-made proposals to meet tenants' individual needs (Customize); and (iii) creating unitholder value through long-term stable management coupled with enhanced profitability and asset value (Create). As a result of such efforts, IIF started its first extension project at IIF Nishinomiya Logistics Center in September 2015, and in an effort to implement environmental and energy-saving measures and improve energy use efficiency, IIF started installation of LED lightings at IIF Haneda Airport Maintenance Center and received the amount equivalent to 50% of the reduced electricity costs from its tenant, which resulted to improve portfolio income.

As such, IIF will work to maintain the quality of its portfolio and further improve profitability through efforts based on 3C Management Cycle and by implementing the required management tasks to maintain and improve the functionality, safety and comfort 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 cancellations.

c) Financial strategy

In consideration of how IIF's portfolio generates "long-term stable cash flows based on long-term lease contracts," IIF's basic strategy in raising funds is to fix liabilities in the long term. In

accordance with this policy, IIF will continue to pursue ALM (Asset Liability Management) 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 7,958 million yen, ordinary income of 3,368 million yen, net income of 3,367 million yen and distribution per unit of 9,550 yen for the 18th Period (January 1, 2016 to June 30, 2016).

For details of the assumptions made in this forecast, please see “Earnings Forecast Assumptions for the 18th Period (January 1, 2016 to June 30, 2016)” below.

IIF assumes that the following factors will mainly cause an increase or decrease from the 17th Period (fiscal period ended December 31, 2015).

(Operating revenue) (Increase of 169 million yen from the previous period)

- Full-period contribution of rental revenue from the four properties acquired in the 17th Period (the period ended in December 31, 2015) and expected to be acquired in the 18th Period (the period ending in June 30, 2016)
- Increase in rent at IIF Haneda Airport Maintenance Center

(Operating expense) (Increase of 124 million yen from the previous period)

- Property-related taxes on six properties acquired in the 16th Period (the period ended in June 30, 2015)
- Full-period accrual of property management fees on the four properties acquired in the 17th Period (the period ended in December 31, 2015) and expected to be acquired in the 18th Period (the period ending in June 30, 2016).
- Other increase in operating expense

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

Earnings Forecast Assumptions for the 18th Period (January 1, 2016 to June 30, 2016)

Item	Assumptions
Calculation period	18th Period: January 1, 2016 to June 30, 2016 (182 days)
Properties owned	<p>Assumption is made based on the 43 real properties and trust beneficiary interests owned by IIF as of December 31, 2015, and three real estate trust beneficiary rights to be acquired by IIF. For the three 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><Acquisition completed on January 18, 2016> IIF Fukuoka Higashi Logistics Center <Closing scheduled on March 1, 2016> IIF Yokohama Shinyamashita R&D Center <Closing scheduled on April 15, 2016> IIF Kakegawa Manufacturing Center (land with leasehold interest)</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, 2016,</p>

	deviations from our forecasts may occur due to acquisitions, disposals or similar activities relating to other properties.
Interest-bearing debt	Interest-bearing debt as of December 31, 2015 amounted to 108,200 million yen, which consisted of long-term borrowings of 96,200 million yen (including long-term borrowings to be repaid within one year) and investment corporation bonds of 12,000 million yen (including investment corporation bond to be redeemed within one year). There is no interest-bearing debt that reaches its repayment date during the 18th Period.
Operating revenue	In the 18th 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	Property tax, urban planning tax and depreciable property tax of approximately 645 million yen and a repair cost of approximately 66 million yen are assumed. Depreciation expense (including ancillary expenses, etc.) is calculated by the straight-line method, and its assumed amount is approximately 1,080 million yen. Outsourcing expense (property management fee and building management commission fee, etc.) is calculated based on past expenses.
Non-operating expense	Based on the assumptions made under “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 894 million yen is assumed. The investment unit issuance costs amortization of approximately 60 million yen is expected.
Investment units issued and outstanding	The forecast is assumed based on a total number of outstanding investment units of 352,564 as of December 31, 2015.
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).

The three assets acquired or to be acquired during the 18th Period are as follows:

Assets to be Acquired	Location (Note 1)	Asset Category	(Expected) Acquisition Price (JPY million)
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka, Japan	Logistics Facility	1,860
IIF Yokohama Shinyamashita R&D Center (Note 2)	16-5 Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa, Japan	Manufacturing, Research and Development Facilities	11
IIF Kakegawa Manufacturing Center (<i>land with leasehold interest</i>)	30 Tanyo, Kakegawa-shi, Shizuoka, Japan	Manufacturing, Research and Development Facilities	1,540
		(Expected) Total	3,411

Note 1 Location represents the registered address of the property.

Note 2 With regards to IIF Yokohama Shinyamashita R&D Center, IIF intends to acquire 0.3% of co-ownership interest of real estate trust beneficiary right in this property.

Note 3 For further detail of the three properties acquired or to be acquired during the 18th Period, please refer to news release “IIF to Acquire a Trust Beneficiary Interest in IIF Fukuoka Higashi Logistics Center” dated December 24, 2015, “IIF to Acquire a Trust Beneficiary Interest in IIF Kakegawa Manufacturing Center (*Land with Leasehold Interest*)” and “IIF to Acquire a Trust Beneficiary Interest (Co-ownership Interest) in IIF Yokohama Shinyamashita R&D Center” dated February 16, 2016.

3. Financial information

(1) Balance sheets

(Thousands of yen)

	As of	
	June 30, 2015	December 31, 2015
ASSETS		
Current assets:		
Cash and bank deposits	6,350,807	7,211,502
Cash and bank deposits in trust	3,047,778	3,177,858
Rental receivables	366,794	698,710
Prepaid expenses	298,950	348,800
Deferred tax assets	15	15
Consumption taxes refundable	366,539	-
Other	43	122
Total current assets	10,430,930	11,437,009
Noncurrent assets:		
Property, plant and equipment:		
Buildings, at cost	32,049,131	32,235,836
Less: Accumulated depreciation	(4,155,130)	(4,495,639)
Buildings, net	27,894,000	27,740,196
Structures, at cost	91,230	92,223
Less: Accumulated depreciation	(7,905)	(10,752)
Structures, net	83,324	81,471
Machinery and equipment, at cost	11,892	11,892
Less: Accumulated depreciation	(10,064)	(11,725)
Machinery and equipment, net	1,828	166
Tools, furniture and fixtures, at cost	10,059	10,983
Less: Accumulated depreciation	(1,361)	(1,922)
Tools, furniture and fixtures, net	8,698	9,061
Land	16,126,579	16,857,861
Construction in progress	12,766	15,377
Buildings in trust, at cost	54,614,090	54,754,015
Less: Accumulated depreciation	(6,314,097)	(7,027,124)
Buildings in trust, net	48,299,992	47,726,890
Structures in trust, at cost	459,679	461,751
Less: Accumulated depreciation	(329,635)	(343,591)
Structures in trust, net	130,043	118,160
Machinery and equipment in trust, at cost	11,006	13,202
Less: Accumulated depreciation	(1,756)	(2,383)
Machinery and equipment in trust, net	9,250	10,819
Tools, furniture and fixtures in trust, at cost	9,935	9,935
Less: Accumulated depreciation	(3,803)	(4,476)
Tools, furniture and fixtures in trust, net	6,131	5,458
Land in trust	90,590,979	90,602,846
Total net property, plant and equipment	183,163,595	183,168,309
Intangible assets:		
Leasehold right (Note 1)	19,833,966	19,833,966
Other	1,355	1,259
Total intangible assets	19,835,321	19,835,225
Investments and other assets:		
Lease and guarantee deposits	11,696	11,878
Long-term prepaid expenses	1,110,566	1,011,609
Total investments and other assets	1,122,263	1,023,488
Total noncurrent assets	204,121,180	204,027,023
Deferred assets:		
Investment unit issuance costs	274,137	185,174
Investment corporation bonds issuance costs	51,094	45,259
Total deferred assets	325,231	230,434
TOTAL ASSETS	214,877,341	215,694,466

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

(Thousands of yen)

	As of	
	June 30, 2015	December 31, 2015
LIABILITIES		
Current liabilities:		
Operating accounts payable	357,940	724,118
Current portion of investment corporation bonds – unsecured	-	5,000,000
Current portion of long-term loans payable	-	2,000,000
Accounts payable – other	464,889	407,527
Accrued expenses	10,799	14,248
Income taxes payable	705	737
Consumption taxes payable	-	410,749
Advances received	1,119,061	1,139,099
Other	58,213	48,446
Total current liabilities	2,011,609	9,744,927
Noncurrent liabilities:		
Investment corporation bonds – unsecured	12,000,000	7,000,000
Long-term loans payable	96,200,000	94,200,000
Tenant leasehold and security deposits	2,254,485	2,198,484
Tenant leasehold and security deposits in trust	8,447,994	8,410,746
Derivatives liabilities	247,187	293,119
Other	38,748	29,572
Total noncurrent liabilities	119,188,415	112,131,922
TOTAL LIABILITIES	121,200,024	121,876,849
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	90,823,217	90,823,217
Surplus:		
Retained earnings	3,101,287	3,287,518
Total surplus	3,101,287	3,287,518
Total unitholders' equity	93,924,504	94,110,736
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	(247,187)	(293,119)
Total valuation and translation adjustments	(247,187)	(293,119)
TOTAL NET ASSETS (Note 2)	93,677,316	93,817,617
TOTAL LIABILITIES AND NET ASSETS	214,877,341	215,694,466

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, 2015	December 31, 2015
Operating revenue		
Rent revenue—real estate (Note 3)	7,356,857	7,788,664
Dividend income from investment in Tokumei Kumiai	406	-
Total operating revenue	7,357,263	7,788,664
Operating expenses		
Expenses related to property rental business (Note 3)	2,578,708	2,736,578
Asset management fees	626,217	651,166
Directors' compensations	5,820	5,820
Asset custody fees	6,536	6,651
Administrative service fees	31,654	32,398
Other	71,745	78,607
Total operating expenses	3,320,682	3,511,222
Operating income	4,036,580	4,277,442
Non-operating income		
Interest income	720	954
Interest on refund	-	1,918
Reversal of distribution payable	311	913
Total non-operating income	1,032	3,786
Non-operating expenses		
Interest expenses	624,819	661,117
Interest expenses on investment corporation bonds	57,582	58,217
Amortization of investment corporation bonds issuance costs	5,834	5,834
Borrowing related expenses	153,472	178,408
Amortization of investment unit issuance costs	89,647	88,963
Other	4,139	373
Total non-operating expenses	935,496	992,914
Ordinary income	3,102,117	3,288,314
Income before income taxes	3,102,117	3,288,314
Income taxes		
Current	934	930
Deferred	0	(0)
Total income taxes	934	930
Net income	3,101,182	3,287,384
Retained earnings brought forward	104	134
Unappropriated retained earnings	3,101,287	3,287,518

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, 2015

For the six months ended June 30, 2015

	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, 2015	79,493,577	2,799,415	2,799,415	82,292,993	(291,573)	(291,573)	82,001,420
<u>Changes during the period</u>							
Issuance of new investment units	11,329,640	—	—	11,329,640	—	—	11,329,640
Dividends from surplus	—	(2,799,311)	(2,799,311)	(2,799,311)	—	—	(2,799,311)
Net income	—	3,101,182	3,101,182	3,101,182	—	—	3,101,182
Net changes of items other than unitholders' equity	—	—	—	—	44,385	44,385	44,385
<u>Total changes during the period</u>	11,329,640	301,871	301,871	11,631,511	44,385	44,385	11,675,896
Balance as of June 30, 2015	90,823,217	3,101,287	3,101,287	93,924,504	(247,187)	(247,187)	93,677,316

For the six months ended December 31, 2015

	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, 2015	90,823,217	3,101,287	3,101,287	93,924,504	(247,187)	(247,187)	93,677,316
Changes during the period							
Dividends from surplus	—	(3,101,152)	(3,101,152)	(3,101,152)	—	—	(3,101,152)
Net income	—	3,287,384	3,287,384	3,287,384	—	—	3,287,384
Net changes of items other than unitholders' equity	—	—	—	—	(45,931)	(45,931)	(45,931)
Total changes during the period	—	186,231	186,231	186,231	(45,931)	(45,931)	140,300
Balance as of December 31, 2015	90,823,217	3,287,518	3,287,518	94,110,736	(293,119)	(293,119)	93,817,617

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, 2015	December 31, 2015
Unappropriated retained earnings	3,101,287,169	3,287,518,906
Cash distribution declared	3,101,152,944	3,287,306,736
(Cash distribution declared per unit)	(8,796)	(9,324)
Retained earnings carried forward	134,225	212,170

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, 2015 and December 31, 2015 were ¥3,101,152,944 and ¥3,287,306,736, 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, 2015	December 31, 2015
Net cash provided by (used in) operating activities:		
Income before income taxes	3,102,117	3,288,314
Depreciation and amortization	1,046,949	1,073,898
Amortization of investment corporation bonds issuance costs	5,834	5,834
Amortization of investment unit issuance costs	89,647	88,963
Interest income	(720)	(954)
Interest expenses	682,401	719,335
Changes in assets and liabilities:		
Increase in operating accounts receivable	(276,552)	(331,915)
Decrease (increase) in consumption taxes refundable	(363,503)	363,503
Decrease (increase) in prepaid expenses	174,290	(49,849)
Decrease (increase) in long-term prepaid expenses	(66,806)	98,956
Increase in operating accounts payable	114,413	332,537
Increase in accounts payable - other	35,840	3,243
Increase (decrease) in accrued expenses	704	(617)
Increase (decrease) in consumption taxes payable	(370,092)	415,446
Increase (decrease) in advances received	(67,243)	20,038
Decrease in other noncurrent liabilities	(8,077)	(8,180)
Other, net	42,384	(14,643)
Subtotal	4,141,585	6,003,911
Interest income received	720	950
Interest expenses paid	(686,149)	(715,268)
Income taxes paid	(950)	(899)
Net cash provided by operating activities	3,455,205	5,288,694
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(1,989,843)	(884,409)
Purchases of property, plant and equipment in trust	(21,105,386)	(222,793)
Proceeds from tenant leasehold and security deposits	129,364	9,315
Payments of tenant leasehold and security deposits	(90)	(95,315)
Proceeds from tenant leasehold and security deposits in trust	819,514	33,287
Payments of tenant leasehold and security deposits in trust	(54,332)	(35,566)
Payments for lease and guarantee deposits	(181)	(181)
Proceeds from refund of investment securities	10,334	-
Net cash used in investing activities	(22,190,619)	(1,195,664)
Net cash provided by (used in) financing activities:		
Proceeds from long-term loans payable	11,800,000	-
Proceeds from issuance of investment units	11,159,914	-
Dividends paid	(2,799,470)	(3,101,259)
Other	(995)	(995)
Net cash provided by (used in) financing activities	20,159,448	(3,102,255)
Net change in cash and cash equivalents	1,424,034	990,774
Cash and cash equivalents at beginning of period	7,974,552	9,398,586
Cash and cash equivalents at end of period (Note 4)	9,398,586	10,389,361

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 ¥125,668 thousand and ¥489 thousand for the six months ended June 30, 2015 and December 31, 2015.

(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, 2015	December 31, 2015
Authorized	8,000,000 units	8,000,000 units
Issued and outstanding	352,564 units	352,564 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, 2015 and December 31, 2015 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	June 30, 2015	December 31, 2015
Rent revenue—real estate:		
Rental and parking revenue	6,947,726	7,321,343
Common area charges	377,502	415,968
Other	31,628	51,353
Total rent revenue—real estate	7,356,857	7,788,664
Expenses related to property rental business:		
Property management fees	35,441	39,996
Facility management fees	118,032	152,020
Utilities	358,824	414,001
Property-related taxes	576,788	604,462
Insurance	23,387	24,602
Repair and maintenance	69,817	65,603
Depreciation	1,046,949	1,073,898
Trust fees	14,247	18,642
Leasehold rents	334,773	340,624
Other	446	2,724
Total expenses related to property rental business	2,578,708	2,736,578
Operating income from property leasing activities	4,778,149	5,052,086

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, 2015	December 31, 2015
Cash and bank deposits	6,350,807	7,211,502
Cash and bank deposits in trust	3,047,778	3,177,858
Cash and cash equivalents	9,398,586	10,389,361

(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, 2015 and December 31, 2015 scheduled to be received are summarized as follows:

	As of	
	June 30, 2015	December 31, 2015
Due within one year	12,974,986	12,144,077
Due after one year	77,773,164	73,941,376
Total	90,748,151	86,085,454

(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, 2015 and December 31, 2015.

(Thousands of yen)

	As of					
	June 30, 2015			December 31, 2015		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	6,350,807	6,350,807	—	7,211,502	7,211,502	—
(2) Cash and bank deposits in trust	3,047,778	3,047,778	—	3,177,858	3,177,858	—
Total assets	9,398,586	9,398,586	—	10,389,361	10,389,361	—
(1) Current portion of investment corporation bonds – unsecured	—	—	—	5,000,000	5,017,200	17,200
(2) Current portion of long-term loans payable	—	—	—	2,000,000	2,013,842	13,842
(3) Investment corporation bonds – unsecured	12,000,000	12,302,760	302,760	7,000,000	7,332,870	332,870
(4) Long-term loans payable	96,200,000	99,205,980	3,005,980	94,200,000	97,790,564	3,590,564
(5) Tenant leasehold and security deposits in trust	1,028,296	982,636	(45,659)	984,450	957,551	(26,898)
Total liabilities	109,228,296	112,491,377	3,263,081	109,184,450	113,112,027	3,927,577
Derivatives (derivatives liabilities), net	(247,187)	(247,187)	—	(293,119)	(293,119)	—

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 investment corporation bonds – unsecured and (3) Investment corporation bonds – unsecured

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

(2) Current portion of long-term loans payable and (4) 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.

(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	
	June 30, 2015	December 31, 2015
Tenant leasehold and security deposits	2,254,485	2,198,484
Tenant leasehold and security deposits in trust	7,419,698	7,426,296
Total liabilities	9,674,183	9,624,781

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 leasehold 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, 2015	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	6,350,807	-	-	-	-	-
Cash and bank deposits in trust	3,047,778	-	-	-	-	-
Total	9,398,586	-	-	-	-	-

(Thousands of yen)

As of December 31, 2015	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	7,211,502	-	-	-	-	-
Cash and bank deposits in trust	3,177,858	-	-	-	-	-
Total	10,389,361	-	-	-	-	-

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

(Thousands of yen)

As of June 30, 2015	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	7,900,000	48,200,000
Total	-	16,000,000	25,100,000	4,000,000	7,900,000	55,200,000

(Thousands of yen)

As of December 31, 2015	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	4,000,000	48,200,000
Total	7,000,000	20,600,000	13,500,000	7,900,000	4,000,000	55,200,000

Note 7 – Derivative instruments

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

As of June 30, 2015

As of June 30, 2015					(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	(247,187)	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	70,300,000	70,300,000	Note (i)	-

As of December 31, 2015

As of December 31, 2015					(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	(293,119)	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	70,300,000	68,300,000	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, 2015 and December 31, 2015.

Note 9 – Income taxes

Deferred tax assets consist of the following:

	(Thousands of yen)	
	As of	
	June 30, 2015	December 31, 2015
Deferred tax assets, current:		
Enterprise tax payable	15	15
Total	15	15
Net deferred tax assets, current	15	15
Deferred tax assets, noncurrent:		
Deferred losses on hedges	79,866	94,706
Subtotal	79,866	94,706
Valuation allowance	(79,866)	(94,706)
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, 2015	December 31, 2015
Statutory tax rates	34.15%	32.31%
Deductible cash distributions	(34.14)	(32.30)
Other	0.02	0.02
Effective tax rates	0.03%	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 June 30, 2015 and December 31, 2015.

(Thousands of yen)

		As of / For the six months ended	
		June 30, 2015	December 31, 2015
Net book value⁽ⁱ⁾			
	Balance at the beginning of the period	180,996,885	202,998,583
	Net increase during the period ⁽ⁱⁱ⁾	22,001,697	4,676
	Balance at the end of the period	202,998,583	203,003,259
Fair value⁽ⁱⁱⁱ⁾		232,233,000	236,917,000
Note:			
(i)	The net book value includes leasehold right.		
(ii)	For the six months ended June 30, 2015:		
	Changes in the net book value are mainly due to the following acquisitions offset by depreciation.		
	Acquisitions:	Increase in net book value (Thousands of yen)	
	IIF Sagamihara R&D Center	3,275,350	
	IIF Shinagawa IT Solution Center	7,500,181	
	IIF Izumitsu e-shop Logistics Center (land with leasehold interest)	4,176,535	
	IIF Izumisano Food Processing and Logistics Center	933,150	
	IIF Kyotanabe Logistics Center	5,974,099	
	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	907,225	
	For the six months ended December 31, 2015:		
	Changes in the net book value are mainly due to the following acquisitions offset by depreciation.		
	Acquisitions:	Increase in net book value (Thousands of yen)	
	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	727,205	
(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, 2015 and December 31, 2015, 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, 2015 and December 31, 2015 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, 2015	December 31, 2015	
Japan Airlines Co., Ltd.	1,348,190	1,350,772	Property rental business

(Thousands of yen)

Note 13 – Per unit information

The net asset value per unit as of June 30, 2015 and December 31, 2015 was ¥265,703 and ¥266,100, respectively. Net income per unit for the six months ended June 30, 2015 and December 31, 2015 was ¥9,021 and ¥9,324, 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 pro forma net income per unit is as follows:

	For the six months ended	
	June 30, 2015	December 31, 2015
	(in thousands of yen)	
Net income.....	¥ 3,101,182	¥ 3,287,384
Effect of dilutive units	-	-
Net income attributable to unitholders	3,101,182	3,287,384
Adjusted weighted-average number of units outstanding for the period	343,742 units	352,564 units

[Subsequent events]

None

[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, 2015. 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
January 1, 2015	Unit Split	165,532	331,064	—	79,493	Note 12
March 16, 2015	Public offering	20,988	352,052	11,059	90,553	Note 13
March 27, 2015	Allocation of investment units to a third party	512	352,564	269	90,823	Note 14

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 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.

Note 13 New investment units were issued at a price of ¥546,000 per unit (subscription price of ¥526,960 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 14 New investment units were issued at a price of ¥526,960 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 15 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, 2015		As of December 31, 2015	
				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	11,794	5.5	11,757	5.5
			Osaka and Nagoya metropolitan areas	4,538	2.1	4,562	2.1
			Other area	907	0.4	907	0.4
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	44,723	20.8	45,310	21.0
			Osaka and Nagoya metropolitan areas	1,998	0.9	1,998	0.9
			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	80,025	37.3	79,719	37.0
			Osaka and Nagoya metropolitan areas	16,636	7.7	16,572	7.7
			Other area	3,546	1.7	3,521	1.6
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	2,175	1.0	2,160	1.0
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,822	6.0	12,788	5.9
			Osaka and Nagoya metropolitan areas	23,830	11.1	23,704	11.0
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
Sub-total				202,998	94.5	203,003	94.1
Bank deposits and other assets				11,878	5.5	12,691	5.9
Total assets				214,877	100.0	215,694	100.0
Total liabilities				121,200	56.4	121,876	56.5
Total net assets				93,677	43.6	93,817	43.5

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, 2015 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	39,403	81,995.81	81,995.81	100.0	17.4	Infrastructure facility
IIF Kobe District Heating and Cooling Center	16,772	11,292.79	11,292.79	100.0	4.2	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	13,154	27,493.29	27,493.29	100.0	5.1	Logistics facility
IIF Mitaka Card Center	9,211	21,615.01	21,615.01	100.0	4.7	Manufacturing and R&D facility, etc.
IIF Shinonome R&D Center (Note 5)	9,060	17,045.30	17,045.30	100.0	—	Manufacturing and R&D facility, etc.
IIF Shinagawa IT Solution Center (Note 5)	7,494	7,089.62	5,394.62	76.1	—	Infrastructure facility
IIF Kamata R&D Center (Note 5)	7,436	21,896.56	21,896.56	100.0	—	Manufacturing and R&D facility, etc.
IIF Kyotanabe Logistics Center (Note 5)	5,925	33,243.99	33,243.99	100.0	—	Logistics facility
IIF Osaka Toyonaka Data Center (Note 5)	5,660	20,027.14	20,027.14	100.0	—	Infrastructure facility
IIF Noda Logistics Center (Note 5)	5,609	38,828.10	38,828.10	100.0	—	Logistics facility
Total	119,730	280,527.61	278,832.61	99.4	55.1	

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, 2015 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	16,536	13,154
IIF Noda Logistics Center	340-13, Aza Tamedai, Nishi-sangao, Noda-shi, Chiba, etc.	Trust beneficial interest	38,828.10	8,350	5,609
IIF Shinsuna Logistics Center	2458-5, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	6,710	5,222
IIF Atsugi Logistics Center	6-19, Aza Ikoda, Hase, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	10,959.68	2,160	1,681
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	2,610	1,849
IIF Nishinomiya Logistics Center	2, Nishinomiyahama 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	10,608.00	1,740	1,199
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	2,430	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	6,190	4,656
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	3,800	3,279
IIF Yokohama Tsuzuki Logistics Center	747-1, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	9,464.03	3,080	2,349
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama, etc.	Trust beneficial interest	8,995.00	2,030	1,506
IIF Nagoya Logistics Center	34, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi, etc.	Real property	8,721.01	1,400	1,169
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	2,940	2,350
IIF Kawaguchi Logistics Center	4829 Midori-cho, Kawaguchi-shi, Saitama, etc.	Real property	11,705.02	3,860	2,043
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo, etc.	Trust beneficial interest	39,567.74	6,670	5,270
IIF Higashi-Osaka Logistics Center	701-2, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka, etc.	Real property	20,461.73	3,040	2,431
IIF Kashiwa Logistics Center	1027-1, Aza Miyagohara, Washinoya, Kashiwa-shi, Chiba, etc.	Real property	17,373.53	2,660	1,860
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	4,660	3,549
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama, etc.	Trust beneficial interest	17,881.65	3,980	3,211
IIF Tosu Logistics Center	781-1 Aza Hiratsuka, Shuku-machi, Tosu-shi, Saga, etc.	Trust beneficial interest	13,862.05	1,830	1,563
IIF Inzai Logistics Center	6-6, Matsuzakidai 2-chome, Inzai-shi, Chiba, etc.	Trust beneficial interest	5,490.00	1,230	1,058
IIF Morioka Logistics Center	Plot 5-44-5, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,160	597

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	4,240	3,521
IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	39, Nagisa-cho, Izumiotsu-shi, Osaka, etc.	Trust beneficial interest	48,932.00	4,310	4,176
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-kita, Izumisano-shi, Osaka	Real property	13,947.83	1,020	962
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	6,700	5,925
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka, etc.	Real property	30,815.97	957	907
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	5,240	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,340	1,164
IIF Mitaka Card Center	444-2, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo, etc.	Trust beneficial interest	21,615.01	9,950	9,211
IIF Shinonome R&D Center	14-5, Shinonome 1-chome, Koto-ku, Tokyo	Trust beneficial interest	17,045.30	12,100	9,060
IIF Kamata R&D Center	31-1, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,320	7,436
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	2,900	2,186
IIF Sagamihara R&D Center	41-1, Minamihashimoto 3-chome, Chuo-ku, Sagamihara-shi, Kanagawa	Trust beneficial interest	14,304.37	3,570	3,257
IIF Kobe District Heating and Cooling Center	77-1, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,292.79	14,700	16,772
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,100	39,403
IIF Zama IT Solution Center	5505-7, Higashihara 5-chome, Zama-shi, Kanagawa	Trust beneficial interest	10,931.89	5,540	5,293
IIF Shinagawa Data Center	521-1, Futaba 2-chome, Shinagawa-ku, Tokyo, etc.	Real property	19,547.11	6,890	5,179
IIF Osaka Toyonaka Data Center	1-38, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	5,990	5,660
IIF Osaka Nanko IT Solution Center	21, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	18,435.93	2,330	1,271
IIF Nagoya Port Tank Terminal (land with leasehold interest)	37-31, Shiomi-cho, Minato-ku, Nagoya-shi, Aichi	Real property	51,583.70	2,250	1,998
IIF Shinagawa IT Solution Center	31-18, Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo	Trust beneficial interest	7,089.62	7,660	7,494
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	75-1, Shingo, Higashimatsuyama-shi, Saitama	Real property	12,880.38	744	727
Total (Note 6)			924,582.32	236,917	203,003

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 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, 2015 and December 31, 2015 were as follows:

Name of property	For the six months ended							
	June 30, 2015				December 31, 2015			
	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	5.4	1	100.0	400	5.1
IIF Noda Logistics Center (Note 3)	2	100.0	—	—	2	100.0	—	—
IIF Shinsuna Logistics Center	1	100.0	173	2.4	1	100.0	173	2.2
IIF Atsugi Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Koshigaya Logistics Center	1	100.0	75	1.0	1	100.0	75	1.0
IIF Nishinomiya Logistics Center	1	100.0	60	0.8	1	100.0	60	0.8
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	0.9	1	100.0	66	0.9
IIF Nagoya Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
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	—	—	2	96.2	—	—
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, 2015				December 31, 2015			
	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 Izumiotsu e-shop Logistics Center (land with leasehold interest) (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Izumisano Food Processing and Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Kyotanabe Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest) (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	154	2.1	1	100.0	154	2.0
IIF Yokohama Tsuzuki Technology Center	1	100.0	58	0.8	1	100.0	58	0.8
IIF Mitaka Card Center	1	100.0	364	5.0	1	100.0	364	4.7
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 Sagamihara R&D Center (Note 3)	7	100.0	—	—	6	98.8	—	—
IIF Kobe District Heating and Cooling Center	2	100.0	330	4.5	3	100.0	330	4.2
IIF Haneda Airport Maintenance Center	1	100.0	1,348	18.3	1	100.0	1,351	17.4
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	—	—	1	100.0	—	—
IIF Shinagawa IT Solution Center (Note 3)	5	82.5	—	—	5	76.1	—	—
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest) (Note 3)	—	—	—	—	1	100.0	—	—
Total (Notes 4 and 6)	58	99.8	7,356	100.0	58	99.7	7,788	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.