



Investor Presentation for the June 2016 (18th) Period



Contents

1. IIF Shinonome R&D Center Update	2
2. Executive Summary	8
3. Current Status of Operations and Initiatives Going Forward	11
(1) Existing Portfolio Management — “3C Management”	11
(2) Financial Strategy — “ALM”	17
(3) External Growth — “CRE Beyond”	22
4. Operating Results for the June 2016 (18th) Fiscal Period and Earnings Forecast for the December 2016 (19th) Fiscal Period	30
5. Involvement in Sustainability	34
– Appendix – Portfolio Data and Other Materials	

1. IIF Shinonome R&D Center Update

IIF Shinonome R&D Center Update (1)

Focused on leasing-up with single tenant, confirmed the certain demands from several tenants

Establishment of leasing targets based on property characteristics



- ✓ Located in the Toyosu area (4.5 km from Tokyo Station) where there is a concentration of large buildings
- ✓ Standard floor area of 1,000 tsubo class, excellent security system, two extra high voltage electricity lines, emergency power generation facilities, power-saving facilities (implementation of LED, latest air conditioning) and high specs as an intelligent building
- ✓ Abundant flat surface parking with 46 parking spaces



Leasing strategy

Lease-up with single tenant that can leverage property characteristics emphasizing the timeline without limiting to R&D usage

Examples of potential tenants

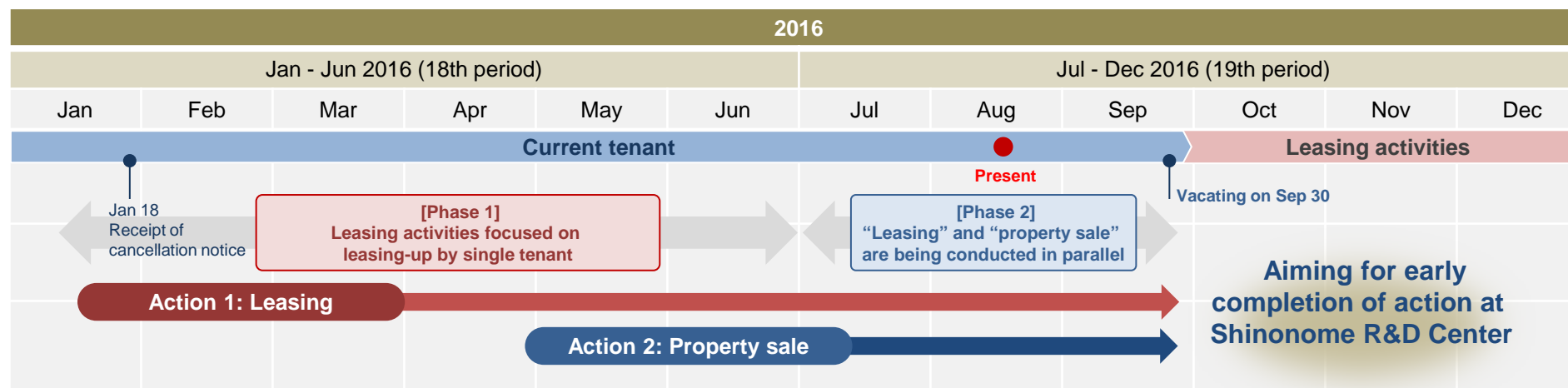
Candidate	Business type	Relocation needs	Desired area	Usage
Company A	Infrastructure	<ul style="list-style-type: none"> • <u>Consolidation of affiliates</u> • Subleasing 	5,000 tsubo	Offices
Company B	Manufacturing	<ul style="list-style-type: none"> • Cost reduction • Expansion and relocation 	5,000 tsubo	Offices
Company C	Information and communications	<ul style="list-style-type: none"> • <u>Consolidation of affiliates</u> • Cost reduction 	5,000 tsubo	Offices
Company D	Information and communications	<ul style="list-style-type: none"> • <u>Consolidation of affiliates</u> • Cost reduction 	5,000 tsubo	Offices Computer room
Company E	Information and communications	<ul style="list-style-type: none"> • Expansion and relocation 	5,000 tsubo	Offices

It has a rare amount of floor space totaling 5,000 tsubo, and we confirmed a certain demands for tenants. “Consolidation of affiliates” in one of major needs for relocation, but the key point is “timing”.

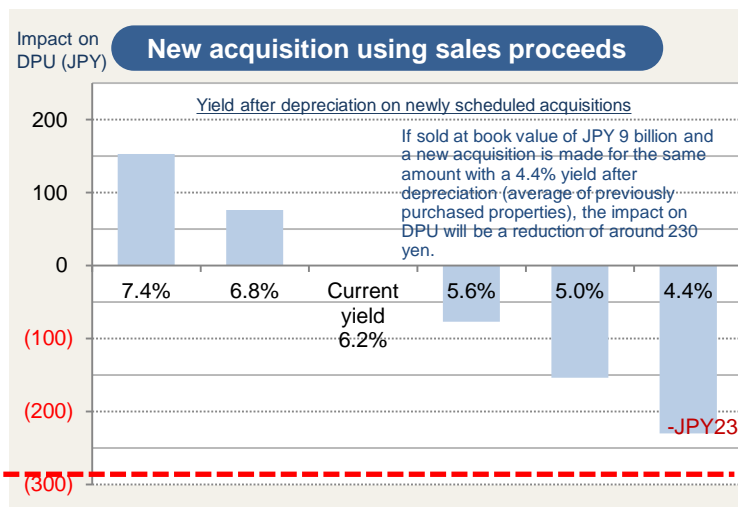
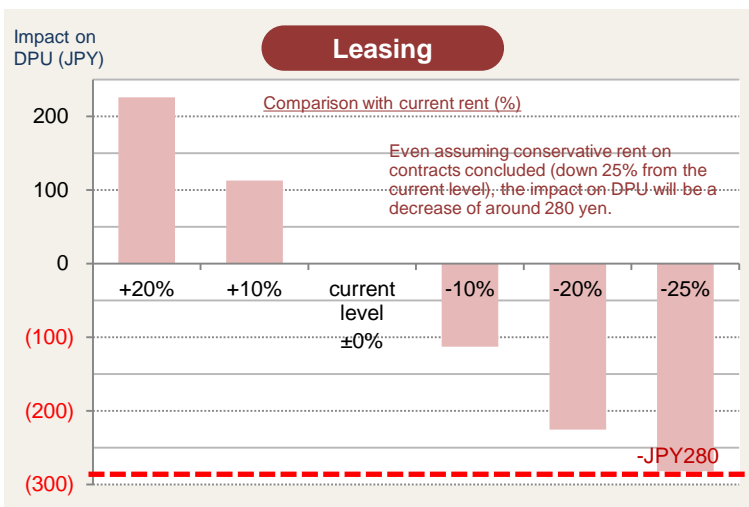
IIF Shinonome R&D Center Update (2)

Take actions on both "leasing" and "property sale" going forward

Schedule



Impact on DPU (estimate: impact per investment unit compared with current rent)



* Reference 1:
Property information as of June 30, 2016

- Book value: 9 billion yen
- Latest NOI after depreciation: 280 million yen
- Yield after depreciation: 6.2%

* Reference 2:
Previously acquired properties (since July 2016)

Acquired property	Acquisition price	Yield after depreciation
IIF Yokohama Shinyamashita RDC	JPY 3.81 billion	4.3%
IIF Osaka Konohana LC	JPY 4.26 billion	4.2%
IIF Kazo LC	JPY 2.36 billion	4.8%
Total	JPY 10.6 billion	4.4%

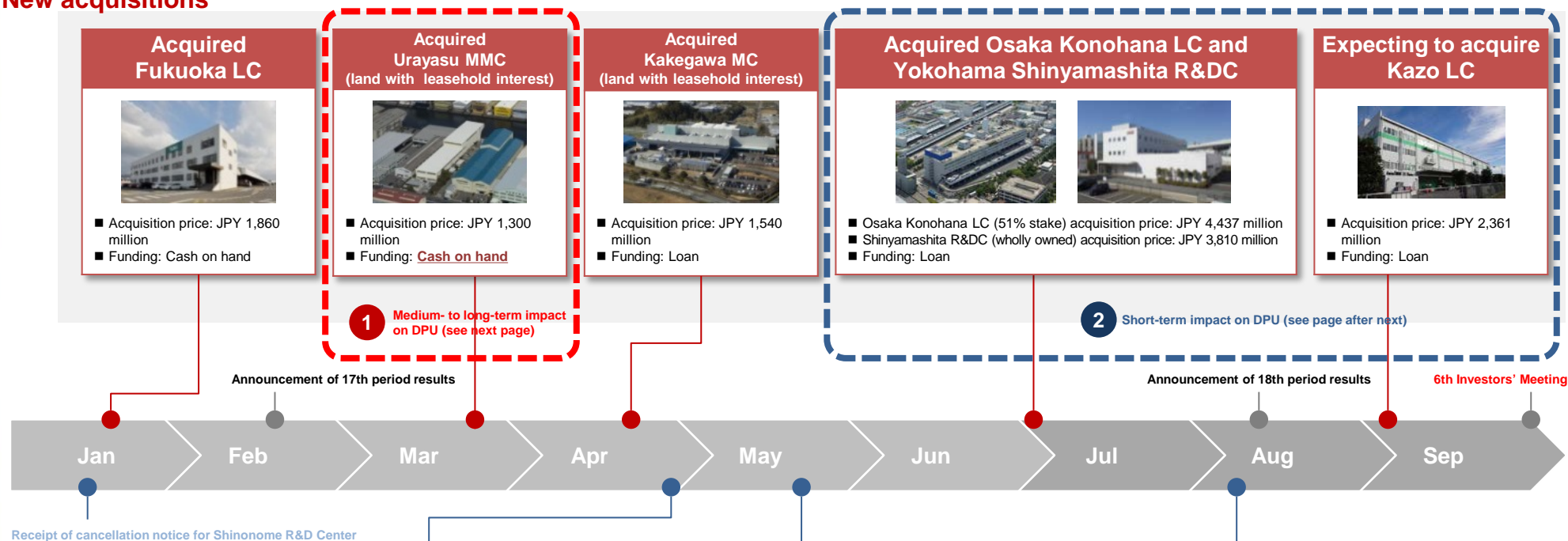
The downside risk of the Shinonome R&D Center can be controlled by portfolio management

* The impact on DPU is estimated assuming outstanding shares of 356,532 investment units, and has been rounded down to the nearest yen.
The above information on the impact on expected DPU has been calculated and shown only considering the impact of the individual events. The actual DPU may vary due to also being affected by other factors.

Countermeasures against Negative Impact of Shinonome R&D Center: Improving Revenue for the 18th Period and Beyond

Potential revenue increase through various portfolio management actions

New acquisitions



Existing portfolio



Countermeasures towards Negative Impact of Shinonome R&D Center: (1) Impact on Medium-to-Long Term DPU

Limited downside risk of Shinonome R&DC through the contributions of various portfolio management measures

Estimate 1: Downside risk in the case of leasing

- ✓ Impact on DPU if rent from new contracts is 25% less than current rent

- JPY 280

Estimate 2: Downside risk due to new acquisition using sales proceeds

- ✓ Impact on DPU if sold for book value of JPY 9 billion and a new property, with a yield of 4.4% after depreciation, is purchased for the same amount

- JPY 230

Effect of various portfolio management measures

Details of impact on stabilized DPU

Impact on stabilized DPU
(Contribution over 6 months)
(Note 1)Period to be
stabilized basis
(Note 1)

New acquisitions	▶ Impact of acquiring IIF Urayasu Machinery Maintenance Center (land with lease hold interest) using “cash on hand”	• Increased earnings based on income after depreciation due to acquisition at the end of March 2016	+ JPY 106	From December 2016 Fiscal Period (19th period)
	▶ Impact of IIF Nishinomiya LC extension project	• Increased earnings based on income after depreciation due to acquisition of extension building using cash on hand in May 2016	+ JPY 61	From December 2016 Fiscal Period (19th period)
Existing portfolio	▶ Impact of leasing IIF Shinagawa ITSC	• Increased earnings based on income after depreciation due to completion of leasing of vacant portion (520.31 tsubo) in July 2016	+ JPY 138	From July 2017 Fiscal Period (20th period)

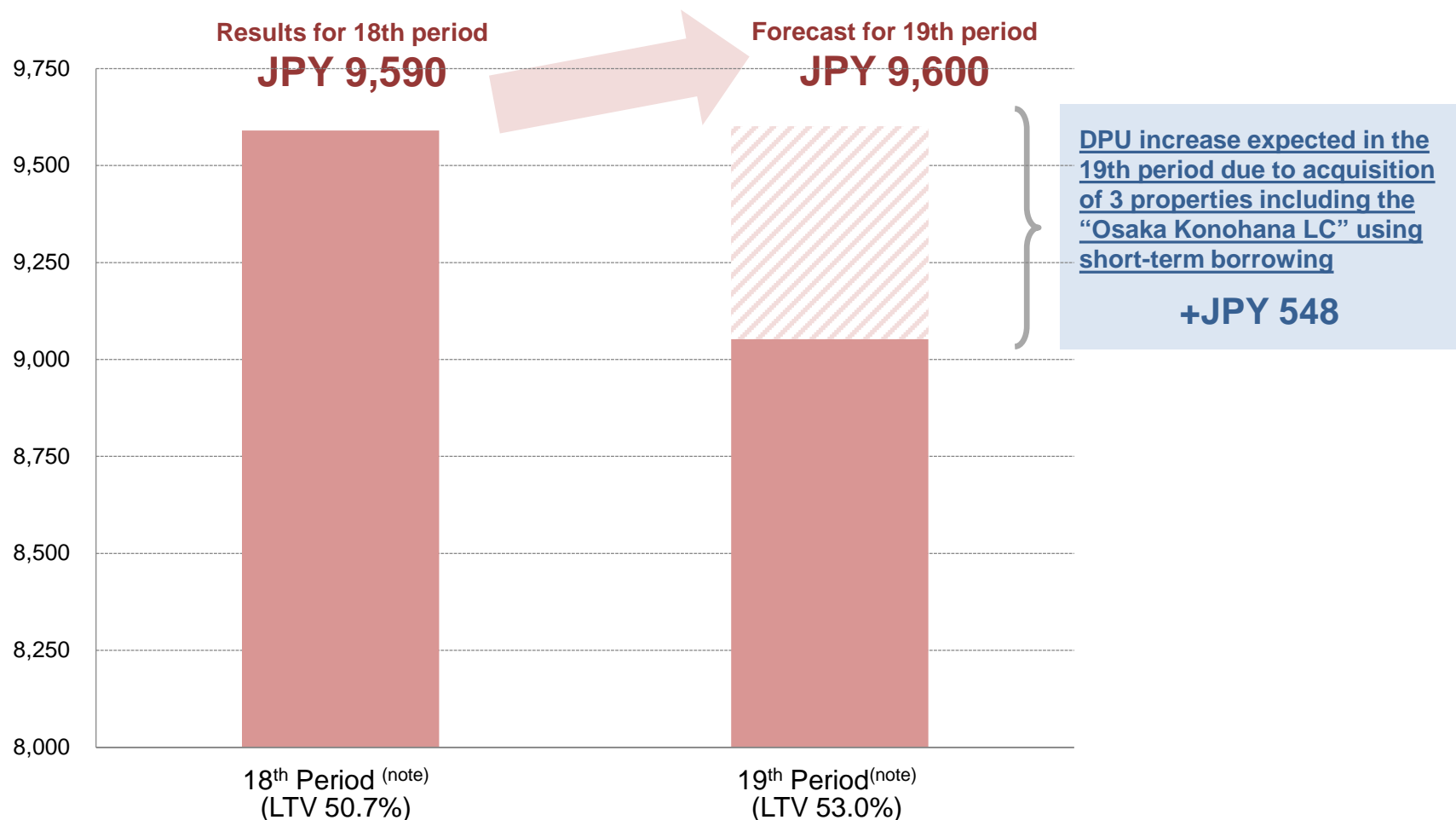
(Note 1) A 7-month fiscal period is planned for the July 2017 fiscal period due to a change in the closing date of the fiscal period. The amounts shown are calculated for six months on stabilized basis.

(Note2) The impact on DPU is estimated assuming outstanding shares of 352,564 units, and has been rounded down to the nearest yen.

The above information on the impact on expected DPU has been calculated and shown only considering the impact of the individual events. Actual DPU may vary due to also being affected by other factors.

Countermeasures against Negative Impact of Shinonome R&D Center: (2) Short-Term Impact on DPU

Continue to increase DPU by acquiring 3 properties, including "IIF Osaka Konohana LC," to cover the expected vacancy in the 19th fiscal period



(Note) LTV=Total interest bearing debt / Total asset

LTV for 19th period is calculated by adding loans taken when acquiring new properties (IIF Yokohama Shinyamashita R&DC, IIF Osaka Konohana LC and IIF Kazo LC) to both interest-bearing debt and total asset in the 18th period.

2. Executive Summary

Executive Summary

Various portfolio management measures have contributed to increase in revenue, earnings and DPU for 12 consecutive periods

New acquisitions

“Pursue first-mover advantages” and “Acquire quality assets in prime locations”

■ Since the 17th period, IIF acquired properties of approx. JPY 20 billion in total including preferential negotiation right have been secured in ten months time

- Average NOI yield: 5.3%
- Average NOI yield after depreciation: 4.6%
- Unrealized gains: JPY 1,632 million
(Average rate of unrealized gains) (+8.1%)

Asset size reached
approx. JPY 220 billion

Existing portfolio

Internal growth achieved due to superior asset management capability

- Both “leasing” and “property sale” are being considered in parallel at the Shinonome R&D Center with taking “timeline” into account
- Realizing upside potential by leasing at Shinagawa ITSC successfully
- Nishinomiya extension project completed as scheduled

Full-period contribution from the period
ending July 2017 (Note 2) (20th period)

Full-period contribution from the
period ending Dec 2016 (19th period)

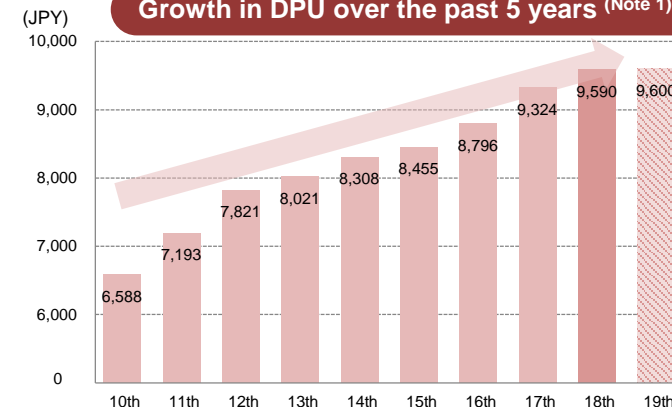
Financial strategy

Funding utilizing stable financial base

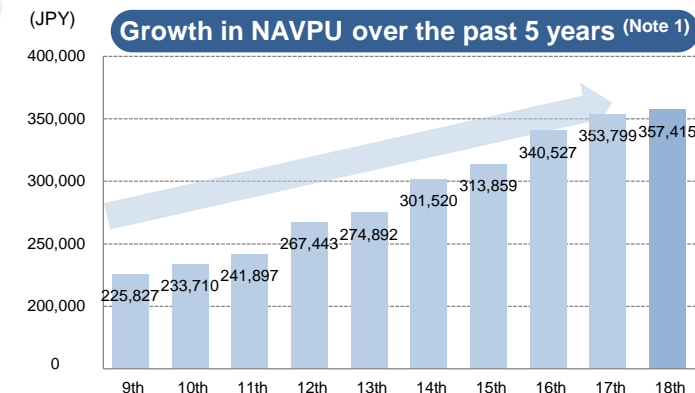
- Improved of stability through steady increase in unrealized gains
- Taking long-term fixed loans utilizing the low-interest environment
 - Procured amount: JPY 1.6 billion
 - Average applicable interest rate: 0.52%
 - Loan term: 10 years

Total unrealized
gains 35.1 billion yen

Growth in DPU over the past 5 years (Note 1)



Growth in NAVPU over the past 5 years (Note 1)



Future area of focus

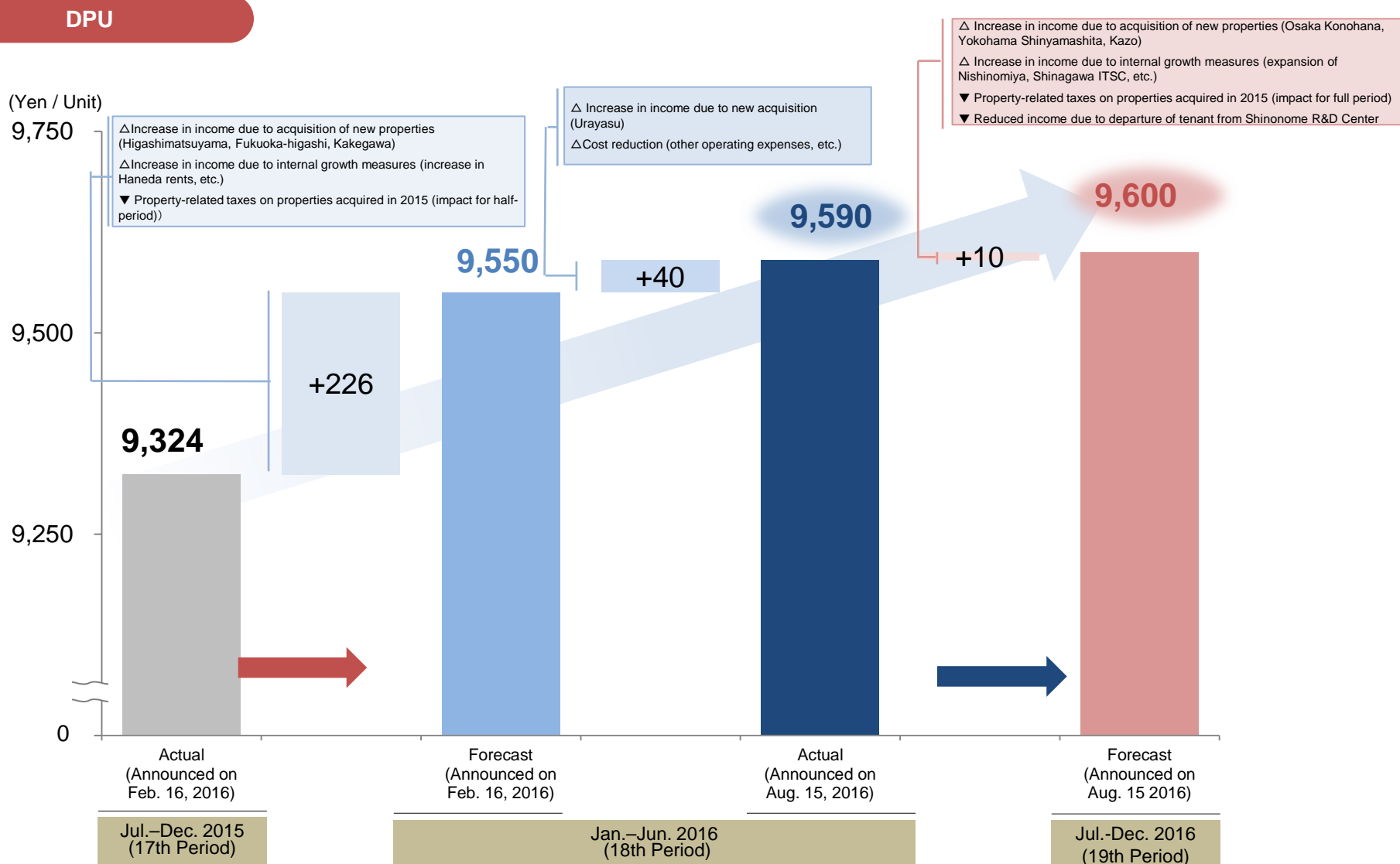
- Accelerately take actions against IIF Shinonome R&D Center and aim for a swift resolution
- Improve acquisition pipeline for further accumulation of properties

(Note 1) Due to a 2:1 split of investment units in January 1, 2015, the figures for DPU and NAVPU until the period ended December 2014 (15th Period) are divided by 2 and rounded down to the nearest unit for each period.

(Note 2) The fiscal periods are scheduled to change from ending in June and December to January and July from the period ending January 2017. See the Appendix for details.

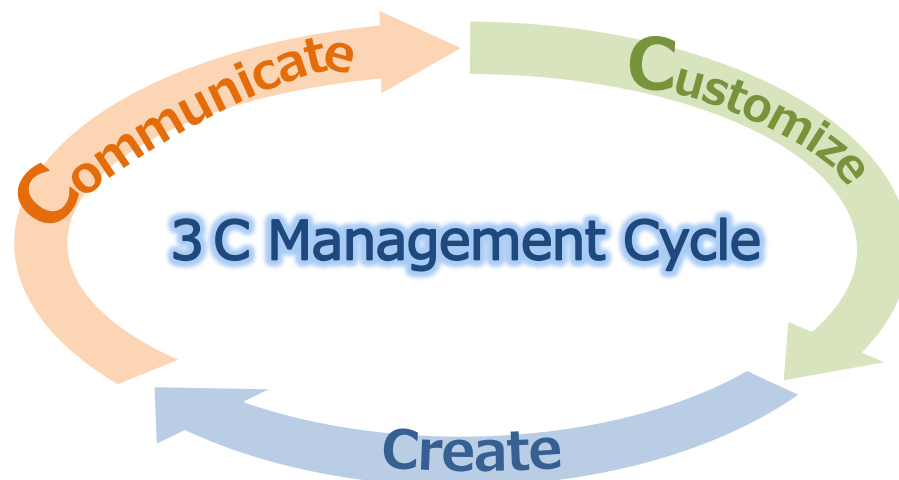
Actual DPU for 18th Period and Forecast DPU for 19th Period

DPU growth expected to continue due to contributions from new properties, despite the vacancy of Shinonome R&D Center



3. Current Status of Operations and Initiatives Going Forward

(1) Existing Portfolio Management - "3C Management"



Investment Highlights: Internal Growth Achieved through 3C Management

Aiming for further internal growth by steadily accumulating achievements in leasing and development

(1) Pursuing upside through strategic leasing activities

IIF Shinagawa ITSC



Succeeded in strategically acquiring and leasing properties with upside potential

[Time of acquisition]	[After leasing]
● NOI yield 4.4%	⇒ NOI yield 6.2%
● 76.1% occupancy rate	⇒ 100% occupancy rate

IIF Noda LC



Replaced tenants without vacancy period and improved profitability

[Former tenants]	[After replacement]
Mitsubishi Corporation LT, Inc.	Japan Logistic Systems Corp.
Mitsubishi Electric Logistics Corporation	Mitsubishi Electric Logistics Corporation
NOI yield 6.1%	⇒ NOI yield 6.4%

(2) Steadily leasing across diversified asset categories

IIF Urayasu MMC (land with leasehold interests)



[Asset category: Manufacturing facility]
Succeeded in acquiring a high-yield property by leasing to new tenant after departure of existing tenant of a manufacturing facility

- Acquisition price: JPY 1,300 million
- NOI yield 6.1% / NOI yield after depreciation 6.1%
- Unrealized gains: JPY 339 million (portion of unrealized gains +26.1%)

(3) Steady expansion of LED project

IIF Haneda MC (Phase 1 Jan 2016)



IIF Kamata R&DC (May 2016)



Installation of LED lighting aimed at improving profitability and reducing environmental impact

(4) Completion of development and extension project

IIF Nishinomiya LC



Second project

With the completion of IIF's first extension project, profitability, stability and unrealized gains simultaneously improved

- Impact on DPU (+61 yen/ unit per year)
- Conclusion of fixed-term building lease contract with 20 year term
- Acquisition price: JPY 859 mn.
- NOI yield 7.1% / NOI yield after depreciation 5.0%
- Unrealized gains: + JPY 230 million (rate of unrealized gain +26.8%)

[Reference] First project (May 2014)

IIF Kawasaki SC



Stable earnings secured and unrealized gains improved through a joint development scheme with the tenant

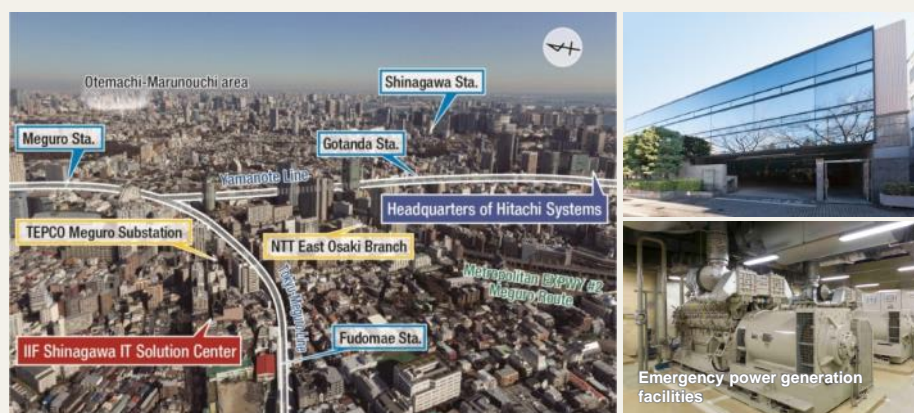
- Management of construction period and building price within initially anticipated range
- Stable earnings secured for 15 years
- Development profits received and unrealized gains improved

IIF Shinagawa IT Solution Center: Successfully Leased at Greater than Expected Levels at Acquisition

Successful leasing strategy that appealed the scarcity of facility characteristics, which leads to large increase in profitability

Leasing targets based on property characteristics

After acquisition, we utilized the characteristics as an information infrastructure facility in a scarce location for leasing



- ✓ Convenient public transportation accessibility and location with excellent access to central Tokyo
- ✓ Facility enables to operate for 72 hours continuously in an emergency with its two emergency power generation facilities

Customize

Accurately determine new tenants' usage needs and match them with property characteristics

Tenant needs

- Large space with a ceiling height of 5.0m or more
- Emergency power generation facilities
- Access to head office

Matching

Property characteristics

- B1F is approx. 370 tsubo with a 5.7m height ceiling
- BCP support
- Convenient location with good access to city center

Succeeded in significant improvement of earnings through inexhaustible pursuit of upside

Key points

- ✓ Achieved 100% occupancy by leasing-up vacant areas,
- ✓ Attracted a major online cloud company by highlighting characteristics such as access to central Tokyo, excellent facility characteristics responding to BCP, and high ceilings
- ✓ Realized upside potential greater than the level which was expected at the time of acquisition due to conclusion of contracts that exceed market rent levels

Create

Upside achieved through combination of rare facility characteristics and know-how

	Time of acquisition (Note 1) (Actual)	(Note 2) (Assumed stable occupancy)	After leasing (Note 3)
NOI yield	4.4%	5.4%	6.2%
NOI yield (after depreciation)	3.9%	4.7%	5.5%
Occupancy rate	76.1%	95.2%	100.0%

Overview of lease contract

Tenant	Undisclosed
Leased area (Ratio of total area available for lease)	1,720.1 m ² (520.31 tsubo) (24.3%)* B1F, 1F and part of 2F
Annual rent	Undisclosed (Note 4)
Contract term	4 years (Sep 15, 2016 to Sep 14, 2020)
Form of contract	Ordinary building lease contract
Early cancellation / rent revisions	Undisclosed (Note 4)

(Note 1) Calculated using first year's net operating income in "Discount Cash Flow Method (DCF Method)" based on the appraisal report at the acquisition.

(Note 2) Assumes stable operation and calculated based on net operating income based on "Capitalization Rate (Direct Capitalization Method)" based on the appraisal report at the acquisition. It should be noted that occupancy rate is 95.2% because certain vacancy loss is predicted based on the appraisal report.

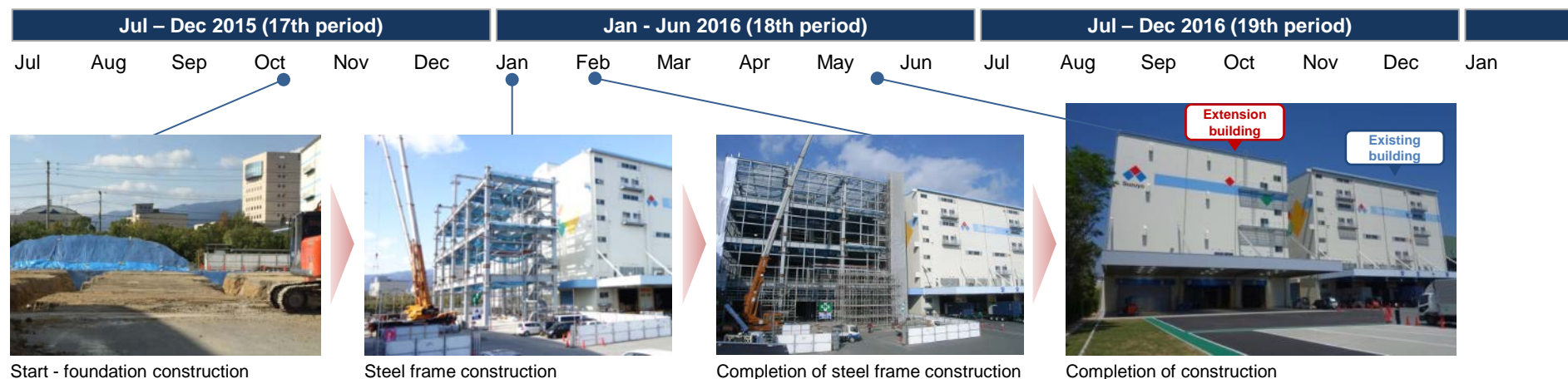
(Note 3) NOI after 20th period is estimated based on contracts which are currently contracted and going to be contracted in the future with other tenants. There is no guarantee that the above NOI yield and NOI yield (after depreciation) would be realized in the future.

(Note 4) Tenants have not agreed to the disclosure of the information.

IIF Nishinomiya Logistics Center Extension Project

Completed as scheduled and achieved overall growth in profitability, stability and unrealized gains

Extension project schedule



Highly versatile specifications capable of handling all type of cargo

Specifications that allow process of distribution storage to processing

Long eaves enable to operate regardless of weather



✓ Acquisition of environmental certification

The extension building received our second four star rating from BELS (Building Energy-efficiency Labeling System). Also it was rated as B+ in CASBEE (Comprehensive Assessment System for Built Environment Efficiency) certification, and the building was completed as a facility with high energy efficiency that reduces environmental impact.

[Reference] Changes in key indicators

	Existing building (Results for 17th period)		Extension ^(Note) (Assumed value)		Existing building + extension (Assumed value)
Acquisition price	JPY 1,300 million	+	JPY 859 million	=	JPY 2,159 million
NOI yield	7.5%		7.1%	⇒	7.5%
NOI yield after depreciation	5.9%		5.0%	⇒	5.7%
Appraisal value	JPY 1,740 million		JPY 1,090 million	⇒	JPY 2,900 million
Unrealized gains (Rate of unrealized gains)	+JPY 440 million (+33.8%)		+JPY 230 million (+26.8%)	⇒	+JPY 740 million (+34.3%)
Cap rate on appraisal value	5.5%		Reduced cap rate due to extension	⇒	5.4%
Remaining term of lease contract	9.7 years		20.0 years	⇒	20.0 years

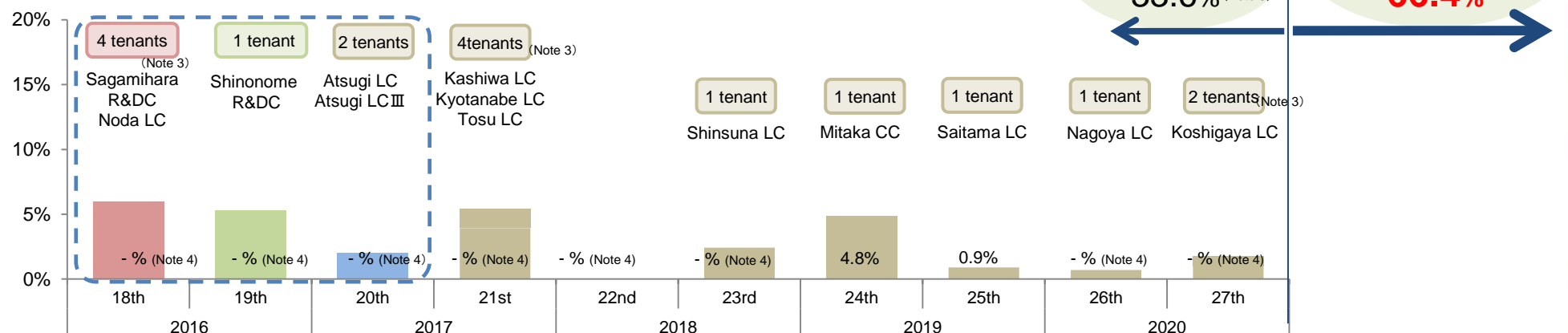
(Note) The figures for "Extension" and "Existing building + extension" are calculated based on appraisal reports. Note that the NOI for the first year divided by the acquisition price in the DCF method shown on the appraisal report is used for NOI yield of the "Extension" and "Existing building + extension," and dividing the figure obtained by deducting depreciation expenses (estimate as of the time of calculation when calculating using the straight line method according to the useful life for the extension) from NOI by the acquisition price.

Measures against Lease Expiry

Establish a stable long-term revenue base by carefully and thoroughly responding to tenants facing lease expiry

Lease Expiration Schedule (Annual rent basis)(Note1,2)

Portfolio (% Rent)



Management Strategy for Tenant Leases Expiring in the Dec.2015(17th) and Jun.2016(18th) Periods

	Lease Expiry	Property Name	Tenant	Portfolio (% Rent)	Achievements / Action Plans
Period ended Jun. 2016 (18th period)	Mar. 31, 2106	IIF Sagamihiro R&DC	Micron Memory Japan	- % (Note 4)	Tenant prefers continuous usage. Contract automatically renewed 1 year. Renewed (automatically)
	Apr. 30, 2016	IIF Noda LC	Mitsubishi Electric Logistics Corporation	- % (Note 4)	Signed leasing agreements with existing and new tenants at suitable rent level. "No vacancy period", "enhanced profitability" and "stable revenue (5-year fixed)" Signed
			New Japan Logistic Systems Corp. Old Mitsubishi Corporation LT, Inc.		
Period ending Dec. 2016 (19th period)	Sep. 30, 2016	IIF Shinonome R&DC	Nihon Unisys, Ltd.	- % (Note 4)	Leasing and sale conducted in parallel In progress
Period ending Jun. 2017 (20th period)	Jan. 31, 2017	IIF Atsugi LC III	Tokyo Logistics Factory Co., Ltd.	- % (Note 4)	Signed new fixed-term building lease contract with current tenant for 5 years due to expiry of lease Signed
	Jun. 30, 2017	IIF Atsugi LC	Fuji Logitech Next, Inc.	- % (Note 4)	Started negotiation with current tenant In progress

(Note 1) The lease expiry of Hitachi Systems, Ltd., a tenant of Shinagawa ITSC, is omitted from the above graph and table since we have not obtained consent of the lessee for disclosure

(Note 2) Tenants whose lease pertains to part of their property and for whom the rent percentage of their total portfolio is less than 0.05% are omitted from the above graph

(Note 3) As tenants have not agreed to the disclosure, name of some properties are omitted

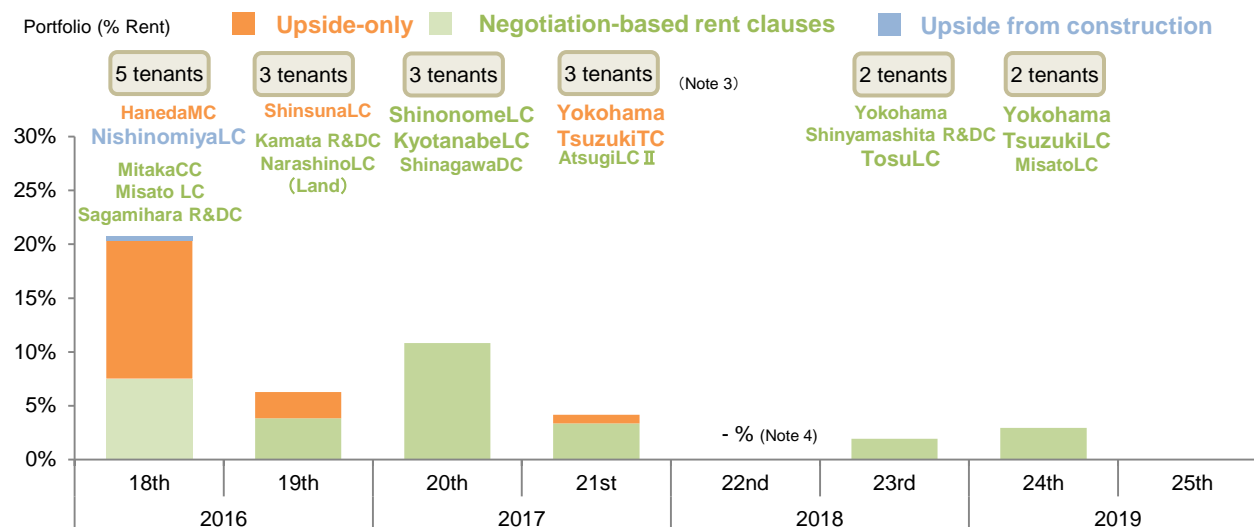
(Note 4) As tenants have not agreed to the disclosure of the information, % rent of portfolio is described as "-"

(Note 5) Remaining lease period is based on lease agreement with existing properties as of September 1, 2016

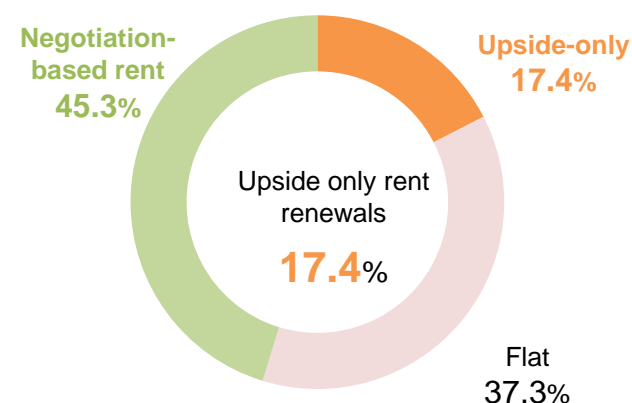
Status of Rent Revisions

Improved profitability while maintaining stability by capturing optimal rent revision opportunities

Rent Revision Schedule (annual rent based)^{(Note 1)(Note 2)}



«Rent Revision»



Upside-only rent revision schedule and its impact on distributions

	Rent revision Date	Property Name	Tenant Name	Terms of Rent Revision	Annual Rent Increase (Impact on distributions)
Period ended June 2016 (18th period)	Jan. 1, 2016	IIF Haneda MC	Japan Airlines Co., Ltd.	From Jan 1, 2016 to Dec 31, 2020: Increase by approx 2% From Jan. 1, 2021: Increase by approx 3%	JPY 38,934,000 (+JPY55/period) (Note 4) Increased
Period ended June 2016 (18th period)	May 16, 2016	IIF Nishinomiya LC	Suzuyo Co., Ltd.	Rent calculated based on contract amount of construction and a certain level of profitability profit of extended buildings.	JPY 21,772,000 (+JPY61/period) Increased
Period ending Dec. 2016 (19th period)	Jul. 15, 2016	IIF Shinsuna LC	Sagawa Express Co., Ltd.	3% increase every three years.	JPY 10,430,000 (+JPY14/period) Increased
Period ending June 2016 (19th period)	Sep. 1, 2016	IIF Kamata R&DC	Tokyo Keiki, Inc.	IIF partially benefits from reduced electricity charges resulting from use of LED lighting.	Undisclosed To increase
Period ending Dec. 2017 (21st period)	Oct. 1, 2017	IIF Yokohama Tsuzuki TC	TÜV Rheinland Japan Ltd.	2% increase every three years.	JPY 1,774,000 (+JPY2/period) To increase

(Note 1) The lease expiry of Hitachi Systems, Ltd., a tenant of Shinagawa ITSC, is omitted from the above graph and table since we have not obtained consent of the lessee for disclosure

(Note 2) Tenants whose lease pertains to part of their property and for whom the rent percentage of their total portfolio is less than 0.05% are omitted from the above graph

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(Note 5) Impact on distributions is calculated assuming that outstanding shares are 352,564 units and rounded down to a nearest unit

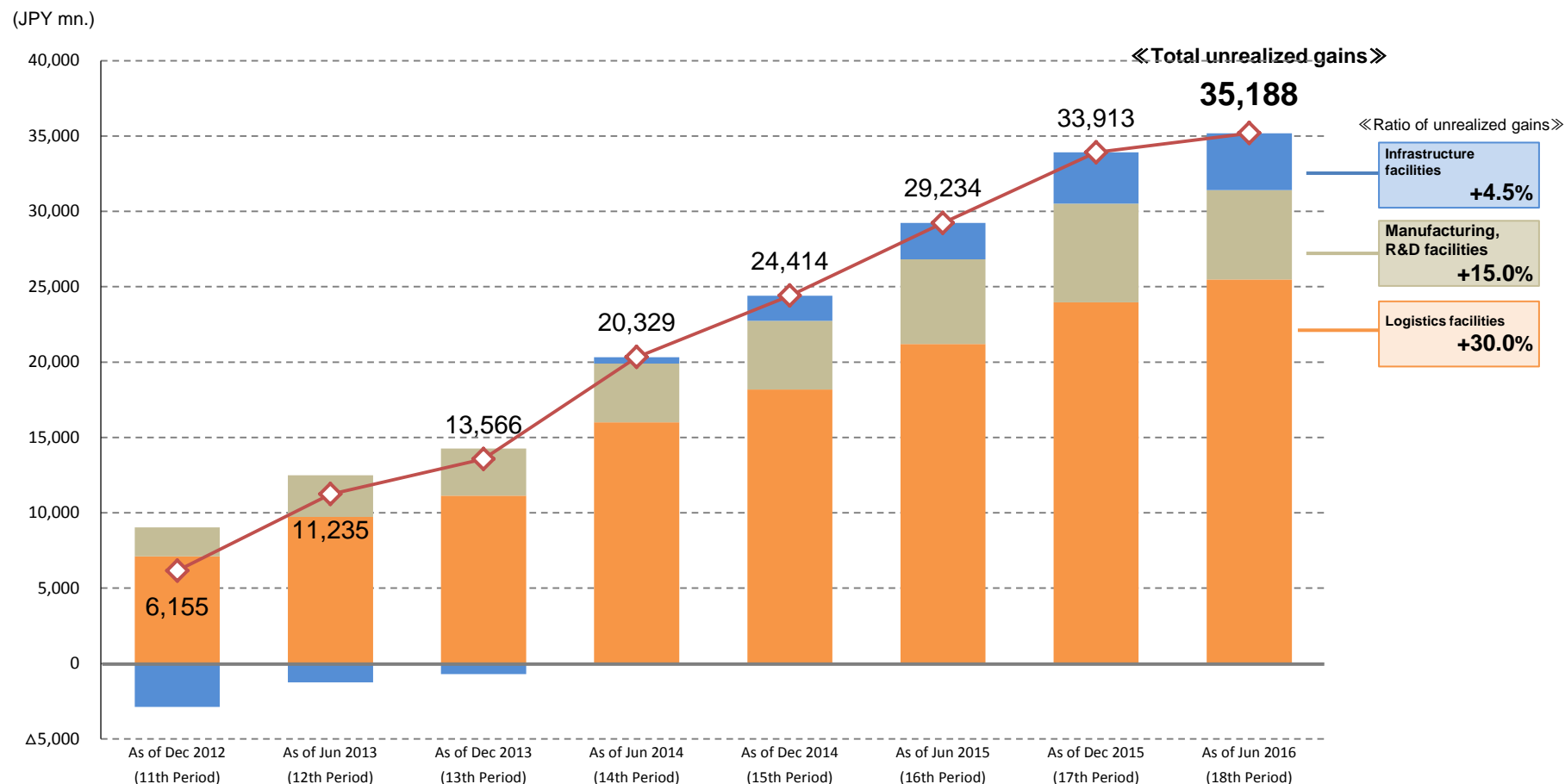
3. Current Status of Operations and Initiatives Going Forward

(2) Financial Strategy - "ALM"

Continuous Growth of Unrealized Gains

Unrealized gains continue to grow, reaching JPY 35.1 billion (rate of unrealized gains + 16.9%)

Unrealized gains by asset category



➤ Increase in unrealized gain of logistics facilities (rate of unrealized gain + 30.0%) due to improvement of liquidity

⇒ Make it easier for IIF to expand the exposure for manufacturing / R&D and Infrastructure facilities and we aim to increase the benefits of being the first mover.

Long-term Stable Financial Base

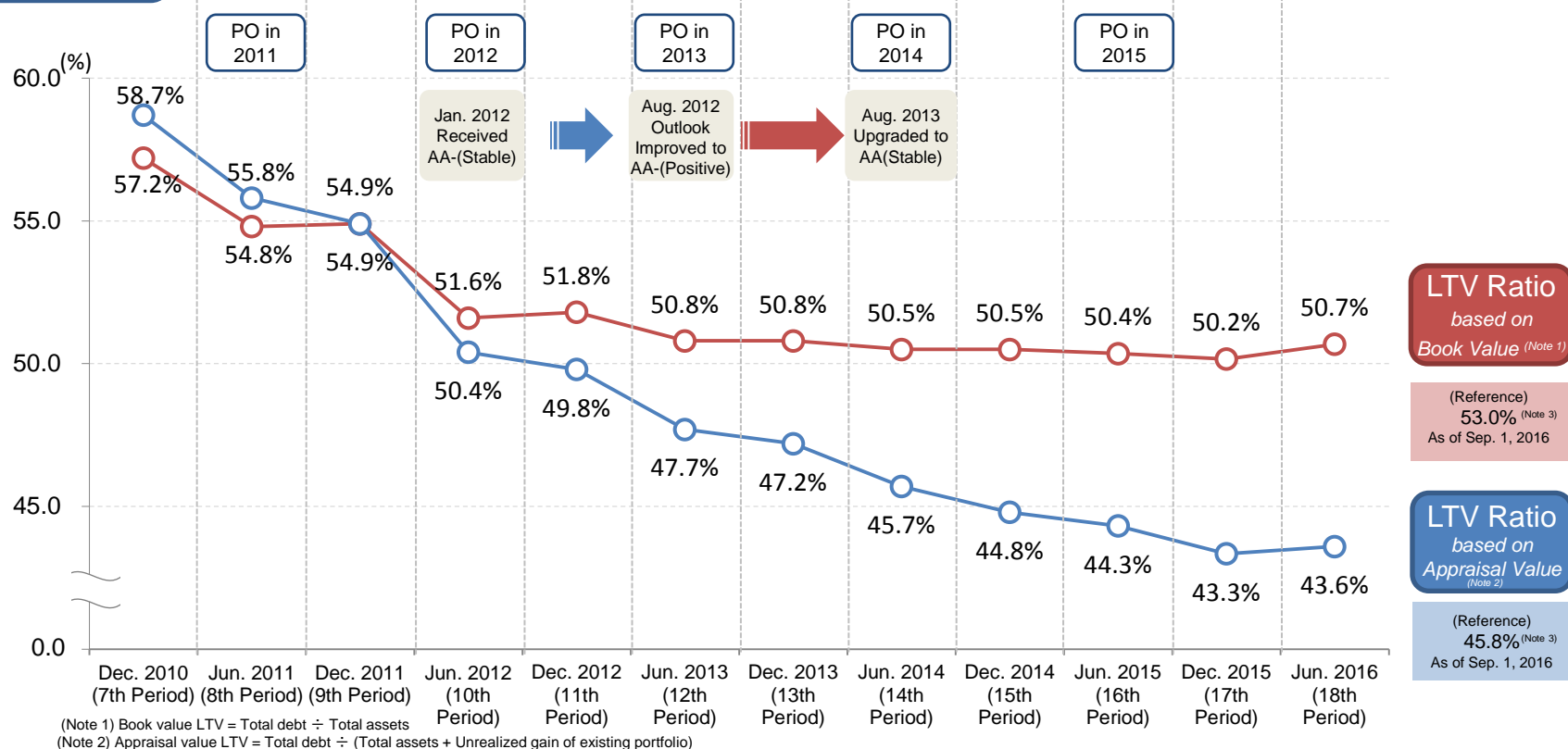
Maintaining long-term financial stability to secure flexibility of financial strategy

Maintain a long-term stable financial structure

Key indicators as of the end of Jun. 2016 (18th) Period

Average period remaining to debt maturity	Fixed debt ratio	Weighted average interest rate	Issuer credit rating
4.6 years	100%	1.31%	AA (Stable)

Historical LTV



Long-term Stable Financial Base

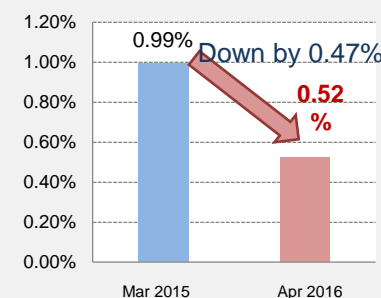
Execution of loans with favorable conditions by leveraging the extreme low-interest rate environment

State of key indicators	End of December 2015 (17th fiscal period)		End of June 2016 (18th fiscal period)
Average remaining term of loan	5.1 years	→	4.6 years
Fixed rate	100%	→	100%
Average applicable interest rate	1.32%	→ -0.01 points	1.31%
Book value LTV	50.2%	→ +0.5 points	50.7%
Market value LTV	43.3%	→ +0.4 points	43.6%
Long-term issuer rating	AA (stable)		
Unused portion of commitment line	JPY 20 billion	→	JPY 20 billion

Long-term loans secured in April 2016 (10-year term)

	Lender	Loan amount	Interest	Applicable interest rate	Loan term
(1)	Fukuoka Bank	JPY 800 million	Fixed	0.50%	10 years
(2)	Mizuho Bank	JPY 800 million	Fixed	0.55%	10 years
	Total	JPY 1.6 billion	Fixed	0.52%	10 years

Comparison of interest rates applicable to long-term loans (10-year term)

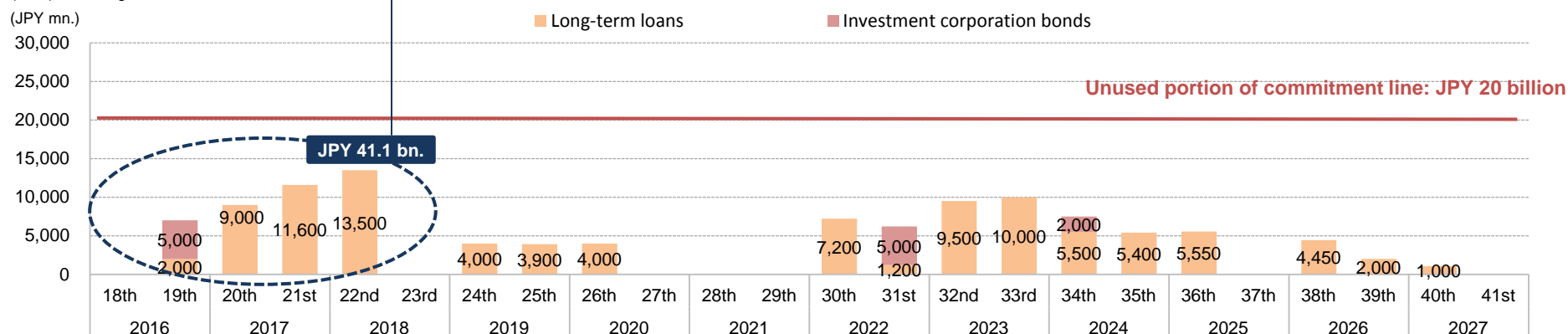


The applicable interest rate was lowered significantly compared to a year ago by utilizing the negative interest environment

Distribution of repayment terms

There is refinance of long-term loans totaling JPY 41.1 billion in the 19 months ahead (average interest rates of 1.3%), and IIF seeks to further improve earnings by decreasing debt cost

(Note) Excluding short-term loans



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3. Current Status of Operations and Initiatives Going Forward

(3) External Growth - "CRE Beyond"

List of Assets Acquired during and after the 17th Period (1)

Further enhance diversity of the portfolio by continuous acquisition of properties

Assets (scheduled to be) acquired since 17th period
(Including properties for which preferential negotiation rights have been obtained)

7 properties JPY 20,262 million (Note)

**Manufacturing and
R&D facilities, etc.**

3 properties JPY 6,650 million (Note)
(Proportion of new acquisition **32.8%**)

**We are developing a unique CRE-proposal
business model for new sectors
with little competition that other J-REITs
do not invest in.**

**As the market becomes established,
we are making unique CRE proposals
and also selecting excellent assets
in prime locations**

**Logistics
facilities**

3 properties JPY 12,921 million
(Proportion of new acquisition **63.8%**)



IIF Osaka Konohana
LC (Note)



IIF Kazo LC



IIF Fukuokahigashi LC

First for a J-REIT



IIF Kakegawa MC
(land with leasehold interest)



IIF Urayasu MMC
(land with leasehold interest)



IIF Yokohama Shinyamashita
R&DC

Many listed J-REITs invest
in the following asset classes

Office

Residential

Commercial

Infrastructure facilities








1 property JPY 690 million
(Proportion of acquired assets **3.4%**)



IIF Higashimatsuyama MC
(land with leasehold interest)


(Note) IIF has been granted preferential negotiation rights for the acquisition of a co-ownership interest in Osaka Konohana LC (49% stake). The information above is for a 100% interest in the asset.

List of Assets Acquired during and after the 17th Period (2)

			Profitability		Unrealized gains		Stability		
Property name			NOI yield	NOI yield after depreciation	Scheduled acquisition price (JPY mn.)	Appraisal value ^(Note1) (JPY mn.)	Tenant	Lease contract term (Form of contract)	Early termination/ rent revision
					Unrealized gains (JPY mn.) (rate of unrealized gain)				
Manufacturing / R&D.	IIF Urayasu Machinery maintenance Center (land with leasehold interest)		6.1%	6.1%	1,300	1,650	Nishio Rent All Co., Ltd.	49.0 years (Fixed-term lease)	Not possible / generally not possible
	+349 (+26.8%)								
	IIF Kakegawa Manufacturing Center (land with leasehold interest)		5.6%	5.6%	1,540	1,770	CxS Corporation	30.0 years (Fixed-term lease)	Not possible for 10 years / generally not possible
	+230 (+14.9%)								
	IIF Yokohama Shinyamashita R&D Center		5.4%	4.4%	3,810	4,170	TRW Automotive Japan	20.0 years (Fixed-term lease)	Not possible for 10 years / possible
	+360 (+9.4%)								
Infrastructure	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)		5.3%	5.3%	690	745	J Cylinder Service	30.1 years (Fixed-term lease)	Not possible for 12 years / generally not possible
+55 (+8.0%)									
Logistics	IIF Fukuokahigashi Logistics Center		5.5%	5.0%	1,860	2,040	Toll Express Japan	15.0 years (Fixed-term lease)	Not possible / generally not possible
	+180 (+9.7%)								
	IIF Osaka Konohana Logistics Center (Co-ownership interest 51%)		4.9%	4.2%	4,437	4,550	Sagawa Express	36.3 years (Ordinary lease)	Not possible in principle/ Negotiable
	+113 (+2.5%)								
	IIF Kazo Logistics Center		5.6%	4.8%	2,361	2,590	PIP CO., LTD	10.0 years (Fixed-term lease)	Generally not possible / generally not possible
	+228(+9.7%)								
		Subtotal or average (JPY mn, %)	5.4%	4.8%	15,999	17,515	—	26.0 years	—
					+1,515 (+9.5%)				

Property with preferential negotiation rights (exercise period: July 1, 2016 - March 31, 2017)

IIF has been granted preferential negotiation rights for the acquisition of a quasi co-ownership interest (49% stake) in the property shown below.

Logistics	IIF Osaka Konohana Logistics Center (Note 2) (Co-ownership interest 49%)		4.9%	4.2%	4,263	4,380	Sagawa Express	36.3 years (Ordinary lease)	Not possible in principle/ Negotiable
					+117 (+2.7%)				

[Total of assets acquired since 17th period (including properties for which preferential negotiation rights have been obtained)]

Total or average (JPY mn., %)	5.3%	4.6%	20,262	21,895	—	28.0 years	—
			+1,632 (+8.1%)				

(Note 1) Regarding IIF Yokoyama Shinyamashita RDC, researched price as of June 30, 2016 is used, and regarding acquired asset of IIF Osaka Konohana LC, the appraisal value as of June 1, 2016 is used and regarding its asset holding secured preferential negotiation rights, researched calculation price is used. Regarding other assets, appraisal value as of June 30, 2016 is used.

(Note 2) IIF holds preferential negotiation right to acquisition of remaining 49% co-ownership interest of IIF Osaka Konohana LC being owned by other co-owners in the condition that IIF exercises its right of acquiring the interest at JPY 4,263 mm (The price which is valid on delivery after October 1, 2016) between July 1, 2016 and March 31, 2017.

New acquisitions during and after the 18th period: IIF Kazo Logistics Center



Acquisition price		JPY 2,361 mn.
Profitability	NOI Yield	5.6%
	NOI Yield (after depreciation)	4.8%
Unrealized gain	Appraisal Value	JPY 2,590 mn.
	Unrealized gain (% acquisition price)	JPY +228 mn. (+9.7%)
Stability	Tenant	PIP CO., LTD.
	Contract term	10 years (9.5 years remaining)
	Contract type	Fixed-term leasehold
	Cancellation before maturity/ Rent revision	Generally not possible for 10 years/ generally not possible

Acquisition highlights

1-on-1 Negotiation

CRE

- Acquisition through CRE proposal addressing the seller's liquidation of real estate and needs for continued use in the long term
- Investment in an important facility of the tenant, which ensures stable cash flow through a long fixed-term lease contract (10 years, non-cancellable)

Long-term Usability

Long-term use by current tenant expected

- The major logistics facility of PIP CO., LTD., a large manufacturer and wholesaler of health care and baby goods, in the North Kanto area
- Probable long-term use based on a 10-year fixed-term leasehold contract (no cancellation allowed during the term)

Versatility

Versatile real estate asset

- The property is located in an area where potential for logistics facilities is expected to increase, with opening of the new section between Saitama and Ibaraki in the Metropolitan intercity expressway network in FY 2016.
- It is located 4 km from Tohoku Expressway IC, thus enjoys good access to central Tokyo and the broader Kanto region.
- The property is a multi-purpose logistics facility with platform structure truck berths, more than 10 m of space between pillars, a maximum floor load of 1.5 t/m², and a maximum ceiling height of 7.1 m (effective height under beams).



New acquisitions during and after the 18th period: IIF Osaka Konohana Logistics Center (51% co-ownership interest)

IIF has been granted preferential negotiation rights for the acquisition of the remainder of co-ownership interest (49% stake) in the following assets.



Acquisition highlights

1-on-1 Negotiation

- Investment in a key location in the Kansai area for a major logistics company, Sagawa Express Co., Ltd.
- Located in a scarce area close to the city center, expressway ramps and a JR cargo station in the Osaka Bay
- Stable cash flow with a long-term lease contract with a term of approx. 36 years (remaining non-cancellation period exceeds 10 years)

Long-term Usability

Long-term use by current tenant expected

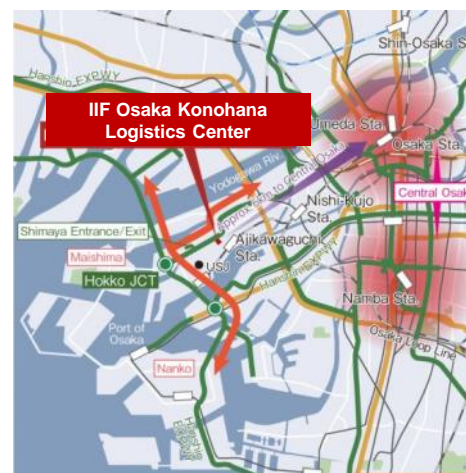
- The facility is positioned as a key location in the Kansai area for Sagawa, and a Sagawa freight train (super rail cargo) travels between the closest station, Ajikawaguchi Station, and the JR Tokyo Cargo Terminal Station (Yashio, Shinagawa-ku) every day.
- The tenant made a major renewal of the material handling facilities in 2015

Acquisition price (Co-ownership interest 51%)		JPY 4,437 mn.
Profitability	NOI Yield	4.9%
	NOI Yield (after depreciation)	4.2%
Unrealized gain	Appraisal Value	JPY 4,550 mn.
	Unrealized gain (% acquisition price)	JPY +113 mn. (+2.5%)
Stability	Tenant	Sagawa Express
	Contract term	36 years (11 years remaining)
	Contract type	Ordinary building lease contract
	Cancellation before maturity/ Rent revision	Not possible in principle / Negotiable

Versatility

Versatile real estate asset

- It is in a rare location approx. 6km from the center of Osaka, and is also close to expressway ramps and a cargo station in the Osaka Bay Area
- Its high valuation as a logistics site is backed by the neighboring “New Osaka Post Office” ,postal network hub in western Japan



New acquisitions during and after the 18th period: IIF Urayasu Machinery Maintenance Center (land with leasehold interest)



Acquisition price		JPY 1,300 mn.
Profitability	NOI Yield	6.1%
	NOI Yield (after depreciation)	6.1%
Unrealized gain	Appraisal Value	JPY 1,640 mn.
	Unrealized gain (% acquisition price)	JPY +339 mn. (+26.1%)
Stability	Tenant	Nishio Rent All Co., Ltd.
	Contract term	49 years (remaining term 49 years)
	Contract type	Contract establishing fixed-term business leasehold
	Cancellation before maturity/ Rent revision	Not possible for 10 years / generally not possible

Acquisition highlights

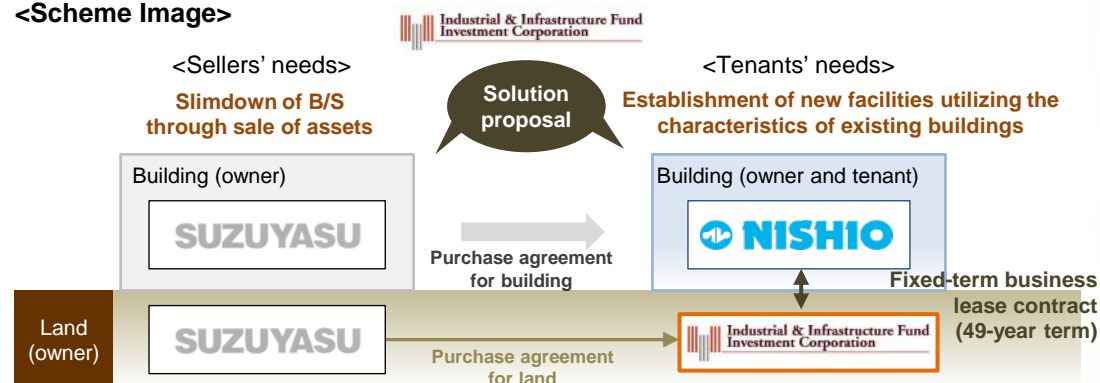
1-on-1 Negotiation

CRE

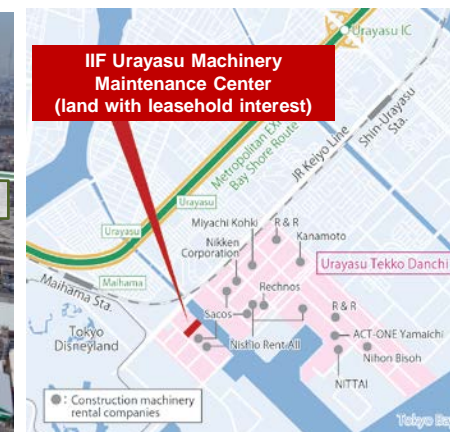
Sponsor

- IIF's second acquisition of a manufacturing facility from Mitsubishi Corporation's Group
- Acquisition based on sellers' needs to improve capital efficiency through CRE proposals and re-tenanting based on tenants' needs for establishment of new facilities
- Acquisition that contributes to profitability, unrealized gains and stability (6.1% NOI yield after depreciation, +26.1% unrealized gains, 49-year contract term)

<Scheme Image>





<Rare industrial location near center of Tokyo>



Establish new investment management system to capture growth opportunities

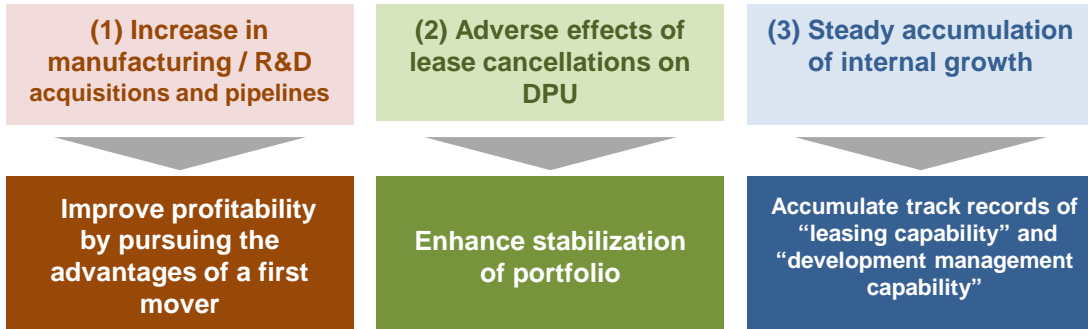
Introduce new management system to respond to changes in the market environment, nine years after listing

	(1) Change in portfolio composition policy	(2) Change of fiscal period	(3) Change in distribution policy Introduction of temporary distributions in excess of profit
Background of changes and new policies	<ul style="list-style-type: none">Changed to <u>ensure stability and flexibility in investment</u> in case of changes in tenant attributes or changes in usage in an investment property after it is acquired.	<ul style="list-style-type: none">When acquiring industrial assets from an operating company through CRE proposals, sellers tend to make a decision in the fourth quarter. In order to <u>cover opportunities for steady acquisition based on optimal timing of funding</u>, IIF will change fiscal period from June / December to July / January	<ul style="list-style-type: none">As part of the financial strategy to maximize unitholder's value, capital increases through a public offering may be conducted during a period, the policy change is resulted from <u>considerations for the impact on DPU by dilutions of investment units</u>.
Overview of changes	<div><div><div><div>✓ <u>We may continue to hold</u> assets whose purpose of use has come to fall under none of the asset categories ("Other Assets") after acquisitions. (such as from research facility to office, etc.)</div><div>✓ The target ratio for the Other Assets are calculated based on the original asset category</div><div>✓ If the Other Assets <u>exceed 10% of the total portfolio</u> based on the appraisal value, the procedures required for eliminating the situation (including activities to sell properties) will generally be implemented</div></div><div><div>Image of handling of assets deviating from the asset category definition</div><div><div><div>[Usage at time of acquisition]</div><div>R&D facilities</div><div></div><div>[Asset category at time of acquisition]</div><div>Manufacturing / R&D facilities, etc.</div></div><div><div>[Usage after change]</div><div>Offices</div><div></div><div>[Asset category after change in usage]</div><div>No change in asset category</div><div>Manufacturing / R&D facilities, etc.</div></div></div></div></div></div>	<div><div>[Change timing]</div><div><div>✓ The June 2017 period (20th period) will be changed to be 7 months from January 2017 to July 2017.</div><div>✓ The December 2017 period (21st period) will be set to January 2018 (21st period)</div></div><div><div><div>Current state</div><div>June / December</div><div>➡</div><div>After change</div><div>July / January</div></div><div><div><div>2016.12</div><div>2017.7</div><div>2018.1</div></div><div><div>19th Period (6 months)</div><div>20th Period (7 months)</div><div>21st Period (6 months)</div></div></div><div><div>(Note) A resolution by the unitholder's general meeting scheduled on September 30, 2016 is required</div></div></div></div>	<div><div><div>✓ In cases where the amount of DPU is expected to decrease by a certain amount due to dilution of units in relation to the acquisition of assets and funding activities such as the issue of new units, the amount exceeding profits may be distributed as distributions <u>only if for the purpose to keep the level of distributions per unit</u>.</div><div>✓ The standard for temporary distributions in excess of profit is <u>up to 60% of the depreciation expenses</u> for the relevant operating period.</div></div><div><div>Image to keep the level of DPU by introducing temporary distributions in excess of profits</div><div><div><div>Investment Units at the end of periods</div><div>Increased portion</div></div><div><div>Net income</div><div>Net income</div><div>Newly acquired assets*</div><div>Up to 60% after depreciation</div></div><div><div>DPU</div><div>Net income per unit</div><div>Temporary distributions in excess of profit</div><div>Net income per unit</div></div><div><div>Before PO</div><div>After PO</div></div></div><div><div>*Contribute to earnings for the part of periods</div></div></div></div>

Investment Strategy and Acquisitions Pipeline Going Forward

Enhance quality of portfolio by accelerating property acquisitions and increasing profitability and stability

Responses to changes in the environment surrounding IIF



External growth strategy: CRE Beyond

- Expand acquisition opportunities leveraging CRE proposal acquisition methods
- Focus on asset categories with limited competition: Manufacturing / R&D , Infrastructure
- Aim to pioneer an enormous CRE/ PRE market
- Aim to further enhance stabilities by acquiring quality assets in prime locations
- Acquire properties with upside potential (leasing, development, expansion, etc.)

Establishment of system for preventing opportunities to be missed

Sourcing capability	Excellent acquisition structure and sponsor network
Origination capability	Acquisitions realized through unique CRE proposals
Change in management policy	Change in policy for creating portfolio, change in fiscal period, introduction of distributions exceeding temporary profits, etc.

Unique strategy

Key word

First Mover

<Deals considered as of August 10, 2016>

Total number and value of deals considered

Approx. 80 deals valued at JPY 280 billion

Current number of deals being considered in detail

Approx. 20

<Ratio of each asset category>

Factories, R&D facilities, etc. Approx. 30%	Infrastructure facilities Approx. 10%	Logistics facilities Approx. 60%
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[Recent examples of acquisition]

IIF Urayasu MMC
(land with leasehold interest)



IIF Osaka Konohana LC



4. Operating Results for the June 2016 (18th) Fiscal Period and Earnings Forecast for the December 2016 (19th) Fiscal Period

Investment Report for June 2016 (18th) Fiscal Period

New acquisitions and internal growth contributed to grow DPU to JPY 9,590, and unrealized gains to JPY 35.1 bn.

					(JPY mn.)				(JPY mn.)				
	Dec.2015	Jun.2016(18th Period Actual)			Jun.2016	Jun.2016(18th Period Actual)							
	(17th Period Actual)			Period-over-period	(Estimation)		Difference with estimation						
P/L Main Information	Operation Revenue	7,788	7,886	+97	+1.3%	7,958	7,886	(72)	(0.9)%				
	Operating Expense	3,511	3,547	+36	+1.0%	3,635	3,547	(87)	(2.4)%				
	Operating Income	4,277	4,338	+61	+1.4%	4,322	4,338	+15	+0.4%				
	Non-Operating Income	3	1	(2)	▲56.3%	0	1	+1	+100.0%				
	Non-Operating Expense	992	958	(34)	▲3.5%	955	958	+3	+0.3%				
	Ordinary Income	3,288	3,382	+93	+2.9%	3,368	3,382	+14	+0.4%				
	Net Income	3,287	3,381	+93	+2.9%	3,367	3,381	+14	+0.4%				
	Distributions per Unit (@ yen)	9,324	9,590	+266	+2.9%	9,550	9,590	+40	+0.4%				
Others	Capital Expenditure (Note 1)	285	319	+34	11.9 %	337	319	(17)	(5.3)%				
	Repair Expense (Note 2)	65	66	0	1.2 %	66	66	0	(0.6)%				
	Total	350	385	+34	9.9 %	404	385	(18)	(4.5)%				
	Depreciation	1,073	1,083	+9	+0.9%	1,080	1,083	+3	0.3 %				
	FFO	4,361	4,464	+103	+2.4%	4,447	4,464	+17	+0.4%				
	AFFO	4,075	4,145	+69	+1.7%	4,110	4,145	+35	+0.9%				
	Number of Properties	43	47	+4	+9.3%	46	47	+1	+2.2%				
	Occupancy Rate	99.7%	99.7%	0	-	99.7%	99.7%	0	-				
	Total Book Value	203,003	207,993	+4,990	+2.5%								
Total Appraisal Value	236,917	243,182	+6,265	+2.6%									
Unrealized Gain	33,913	35,188	+1,275	+3.8%									
Total Debt	108,200	109,800	+1,600	+1.5%									
LTV	50.2%	50.7%	+0.5point	+1.0%									
Total Net Asset	93,817	93,799	(18)	(0.0)%									
Net Asset per Unit	266,100	266,048	(52)	(0.0)%									

■Major Factors (Compared to June 2016 (18th) Period)			
Operating Revenue	+97		
✓ Contribution from 5 properties acquired (Higashi Matsuyama, Fukuoka-higashi, Urayasu, Kakegawa, etc.)	+105		
✓ Effect of internal growth measures (Haneda, etc.)	+37		
✓ Decrease in utilities costs received	(53)		
Operating Expenses	+36		
✓ Expenses on 5 properties acquired (Higashi Matsuyama, Fukuoka-higashi, Urayasu, Kakegawa, etc.)	+8		
✓ Increase in property-related taxes from properties acquired at 2015 PO (six-month period)	+41		
✓ Increase in PM compensation and building management expenses	+36		
✓ Decrease in utilities costs paid	(56)		
✓ Increase in other operating expenses	+9		
Non-Operating Expenses	(34)		
✓ Increase in financing expenses due to new debt	+3		
✓ Effect from amortization completion of issuing new units in 2013	(28)		
✓ No. of business days adjustment (finance-related cost)	(8)		

■Major Factors (Compared to Forecast Announced on Feb. 18th)			
Operating Revenue	(72)		
✓ Contribution from 2 properties acquired (Urayasu, Kakegawa)	+25		
✓ Decrease in utilities costs received	(103)		

■Major Factors (Compared to June 2016 (18th) Period)

Operating Revenue **+97**

- ✓ Contribution from 5 properties acquired (Higashi Matsuyama, Fukuoka-higashi, Urayasu, Kakegawa, etc.) +105
- ✓ Effect of internal growth measures (Haneda, etc.) +37
- ✓ Decrease in utilities costs received (53)

Operating Expenses **+36**

- ✓ Expenses on 5 properties acquired (Higashi Matsuyama, Fukuoka-higashi, Urayasu, Kakegawa, etc.) +8
- ✓ Increase in property-related taxes from properties acquired at 2015 PO (six-month period) +41
- ✓ Increase in PM compensation and building management expenses +36
- ✓ Decrease in utilities costs paid (56)
- ✓ Increase in other operating expenses +9

Non-Operating Expenses **(34)**

- ✓ Increase in financing expenses due to new debt +3
- ✓ Effect from amortization completion of issuing new units in 2013 (28)
- ✓ No. of business days adjustment (finance-related cost) (8)

■Major Factors (Compared to Forecast Announced on Feb. 18th)

Operating Revenue **(72)**

- ✓ Contribution from 2 properties acquired (Urayasu, Kakegawa) +25
- ✓ Decrease in utilities costs received (103)

Operating Expenses **(87)**

- ✓ Decrease in utilities costs paid (85)
- ✓ Decrease in other operating expenses (10)

Non-Operating Expenses **+3**

- ✓ Increase in financing expenses due to new debt +3

(Note 1) Haneda MC: Renewal of ground fault interrupter, JPY 28 mn.. Renovation of exterior walls (north and south sides of M2), JPY 24 mn.. Renewal of condenser reactor, JPY 21 mn.. Kamata R&D: Renewal of air conditioning, JPY 18 mn..

(Note 2) Toyonaka DC: Maintenance on emergency generator (inspection of unit 3F), JPY 8 mn.. Maintenance on emergency generator (inspection of unit 4E), JPY 4 mn.. Maintenance on emergency generator (units 2-4), JPY 4 mn.. Maintenance on emergency generator (inspection of unit 2E), JPY 4 mn..

Earnings Forecast for December 2016 (19th) Fiscal Period

Forecast to grow DPU for the 19th period by new acquisitions and internal growth, despite vacancy at the Shinonome R&DC

(JPY mn.)

	Jun.2016 (18th Period Actual)	Dec.2016 (19th Period Estimated)		
			Period-over-period	
P/L Main Information	Operation Revenue	7,886	8,054	+168 +2.1%
	Operating Expense	3,547	3,695	+148 +4.2%
	Operating Income	4,338	4,358	+20 +0.5%
	Non-Operating Income	1	0	(1) (63.8)%
	Non-Operating Expense	958	974	+16 +1.8%
	Ordinary Income	3,382	3,384	+2 +0.1%
	Net Income	3,381	3,383	+2 +0.1%
	Distributions per Unit (@ yen)	9,590	9,600	+10 +0.1%
Others	Capital Expenditure ^(Note 1)	319	431	+112 +35.1%
	Repair Expense ^(Note 2)	66	82	15 23.6 %
	Total	385	513	+127 +33.1%
	Depreciation	1,083	1,143	+60 +5.6%
	FFO	4,464	4,527	+62 +1.4%
	AFFO	4,145	4,095	(49) (1.2)%
	Number of Properties	47	49	+2 +4.3%
	Occupancy Rate	99.7%	99.9%	+0.0point +0.2%

■Major factors (compared to Jun. 2016 (18th) Period)

Operating Revenue **+168**

- ✓ Contribution from 6 properties acquired (Osaka Konohana, Yokohama Shinyamashita, Kazo, etc.) +340
- ✓ Reduced income due to tenant cancellation at Shinonome R&D Center (251)
- ✓ Effect of internal growth measures (Nishinomiya, Shinagawa ITSC, etc.) +49
- ✓ Increase in utilities costs received +18

Operating Expenses **+148**

- ✓ Expenses on 6 properties acquired (Osaka Konohana, Yokohama Shinyamashita, Kazo, etc.) +44
- ✓ Increase in property-related taxes from properties acquired at 2015 PO (six-month period) +41
- ✓ Reduced expenses due to tenant cancellation at Shinonome R&D Center (41)
- ✓ Increase in utilities costs paid +23
- ✓ Increase in asset management fees +37
- ✓ Increase in other operating expenses +21

Non-Operating Expenses **+16**

- ✓ Increase in financing expenses due to new debt, etc. +12
- ✓ No. of business days adjustment (finance-related cost) +8
- ✓ End of effect of amortization of expenses for issuing new units in 2013 (5)

(Note 1) Haneda MC: implementation of LED lighting, JPY150 mn.. Shinagawa ITSC: renovation of B1F fire fighting equipment, JPY 48 mn.. Kamata R&D: renewal of air conditioning (phase 2), JPY 18 mn.. Atsugi LC III: installation of vertical transport system, JPY 14 mn..

(Note 2) Shinagawa ITSC: B1F Skeleton work, JPY8 mn.. Atsugi LC II: asphalt repairs, JPY 5 mn.., Yokohama Tsuzuki TC: overhaul of water cooler/heater and replacement of cold water electrical heating pipes, JPY 5mn.. Mitaka CC: light caulking of rooftop (6th period), JPY 4 mn..

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5. Involvement in Sustainability

Creation of a Basic Approach and Implementation Structure for Sustainability

Share the Asset Management company's sustainability policy and enhance our sustainability efforts

Sustainability policy of an asset management company

Mitsubishi Corp.-UBS Realty Inc. has been conducting its operations considering the environment and social responsibility, and has established and signed the following sustainability policies. IIF also operates based on these policies.

- ✓ Establishing the Environmental Charter
- ✓ Establishing the Basic Policy for Responsible Property Investment

- ✓ Signing the Principles for Responsible Investment (PRI) from the Secretary-General of the United Nations

Signatory of:



- ✓ Signing the Montreal Carbon Pledge, launched at UNPRI for decreasing CO2 emissions



- ✓ Signing the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) from the Ministry of Environment



ESG stands for **Environmental, Social and Governance**.

We believe that having corporations pay appropriate consideration and respond to ESG will lead to solutions to and improvement of environmental and social issues, and foster sound and growing capital market.

Sustainability framework of MCUBS

■ Establishment of a Sustainability Committee

- ✓ The Sustainability Committee was formed in 2013 to promote organizational ESG efforts.
- ✓ The Committee consists of the CEO as the chairperson, key members of the Industrial Division responsible for the operation of IIF, and members from each of the departments.

Sustainability goal of an asset management company

1. Enhance profitability of assets by installing environmentally friendly facilities such as solar panels.
2. Monitor information related to energy consumption.
3. Monitor the fund's ESG factors by participating in third party evaluation from organizations such as GRESB. The evaluation results will be used for further improvement.

Recognition of Efforts for Sustainability and the Environment

Received numerous certifications and recognitions based on IIF's environmental policies and energy efficiency

"Green Star," the highest GRESB distinction, for 3 consecutive years

In September 2013, we were designated as a "Sector Leader" in the survey of over 500 real estate companies and funds conducted by the GRESB (Global Real Estate Sustainability Benchmark) recognizing us as the most environmentally conscious business operator in the Asian industrial real estate sector.

In addition, we were awarded the "Green Star" by the GRESB for 3 consecutive years, the highest ranking in the categories of GRESB environmental responsiveness survey conducted in 2015.



GRESB

The GRESB (Global Real Estate Sustainability Benchmark) is a benchmark for evaluating the sustainability efforts of real estate companies and funds that was established by APG, PGGM and European pension funds group. This benchmark is often used in investment decision of major institutional investors in Europe and the United States and Asia.

Evaluation by CASBEE

CASBEE Kawasaki (Rank A)



IIF Kawasaki Science Center

CASBEE Hiroshima (Rank B+)



IIF Hiroshima Logistics Center

CASBEE for buildings (New construction) (Rank B+)



IIF Nishinomiya Logistics Center

CASBEE

CASBEE (Comprehensive Assessment System for Building Environmental Efficiency) is an evaluation system that ranks buildings and structures in terms of their environmental performance. In addition to each building's ability to reduce its environmental impact across a variety of areas including energy and resource conservation as well as recycling, this system undertakes to comprehensively evaluate the environmental performance of each building and structure, as well as aesthetic appeal. The properties listed above were awarded the certificate.

DBJ Green Building Certification

In October 2012, IIF Koshigaya Logistics Center and IIF Noda Logistics Center were awarded Gold Certification by the DBJ Green Building Certification System. These were the first logistics facilities owned by a J-REIT to obtain such a certification. After that, in December 2015, a total of five facilities were awarded this certification.



★★★★★
Properties with the best
class environmental &
social awareness



IIF Hiroshima Logistics Center



★★★★★
Properties with
exceptionally high
environmental &
social awareness



IIF Noda Logistics Center



IIF Koshigaya Logistics Center



IIF Tosu Logistics Center



IIF Kobe Logistics Center

DBJ Green Building

Under the DBJ Green Building system, the Development Bank of Japan (DBJ) certifies real estate properties with high environmental and social awareness, based on five evaluation ranks (one star to five stars), using a comprehensive scoring model developed independently by the DBJ.

Received "Building Energy-efficiency Labeling System (BELS)" Certification

IIF receives BELS certification at the 4 properties including IIF Hiroshima Logistics Center, the first J-REIT properties to receive BELS certification. Also, IIF Yokohama Tsuzuki logistics center received the highest ranked certification of "5 star".

BELS

BELS certification is a public evaluation system, that evaluates the energy conservation performance of non-residential buildings. Third parties evaluate the performance of buildings from various points of view regardless of whether a building is new or not, and the evaluation result is given as a number of stars (from one star to five stars).

If the numerical valuation is 1 or less, it means the criteria for energy conservation performance have been achieved.



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- ▶ This material may contain information such as data on future performances, plans, management targets and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends of the business environment, but these hypotheses and assumptions are not necessarily correct. Actual results may vary significantly due to various factors.
- ▶ This material is prepared based on accounting policy in Japan unless otherwise noted.
- ▶ This material is to be used for analyzing the financial results of IIF, and is not prepared for the purpose of soliciting the acquisition of IIF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment.

Asset Management Company : Mitsubishi Corp.- UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer)

Number 403, Member of The Investment Trusts Association, Japan)