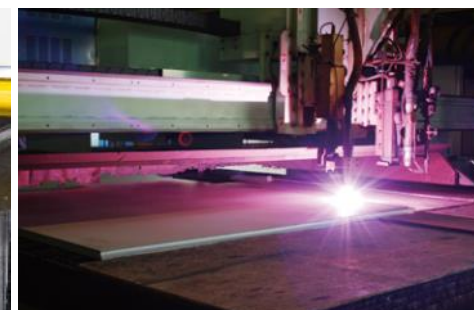


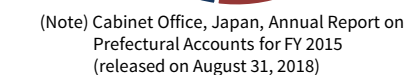
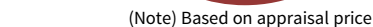
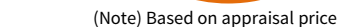
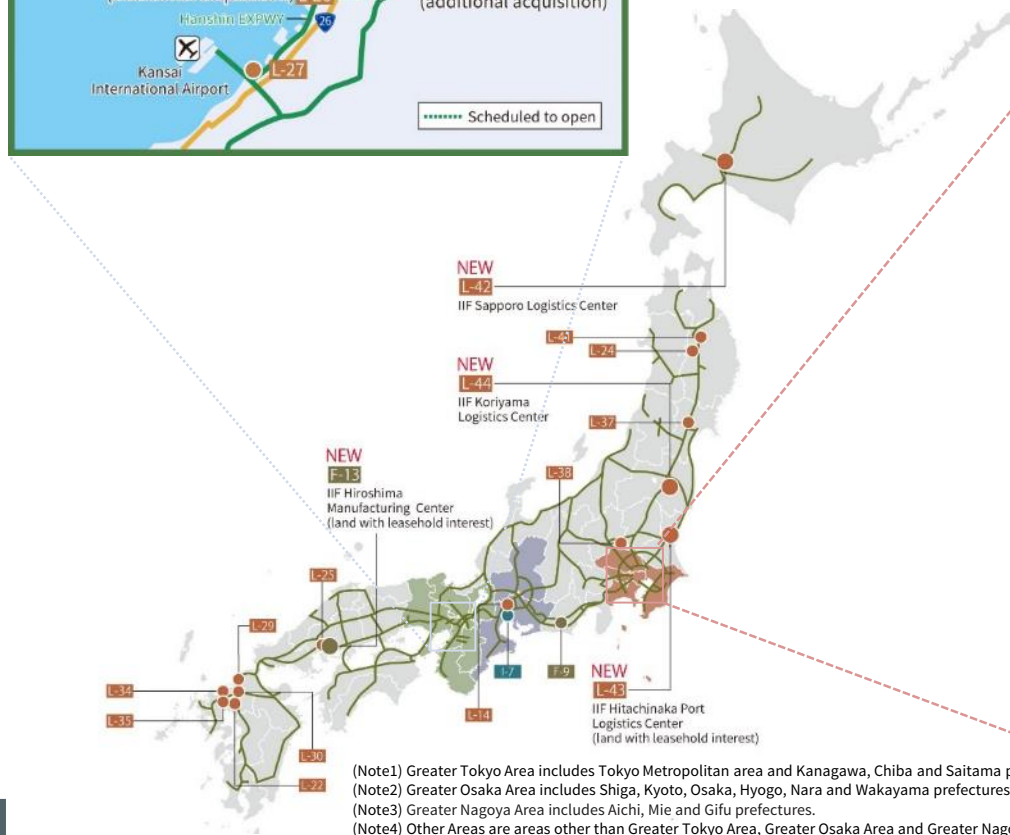
Think bold today for a brighter tomorrow.



# Investor Presentation for the July 2018 (22nd) Period ～Appendix～

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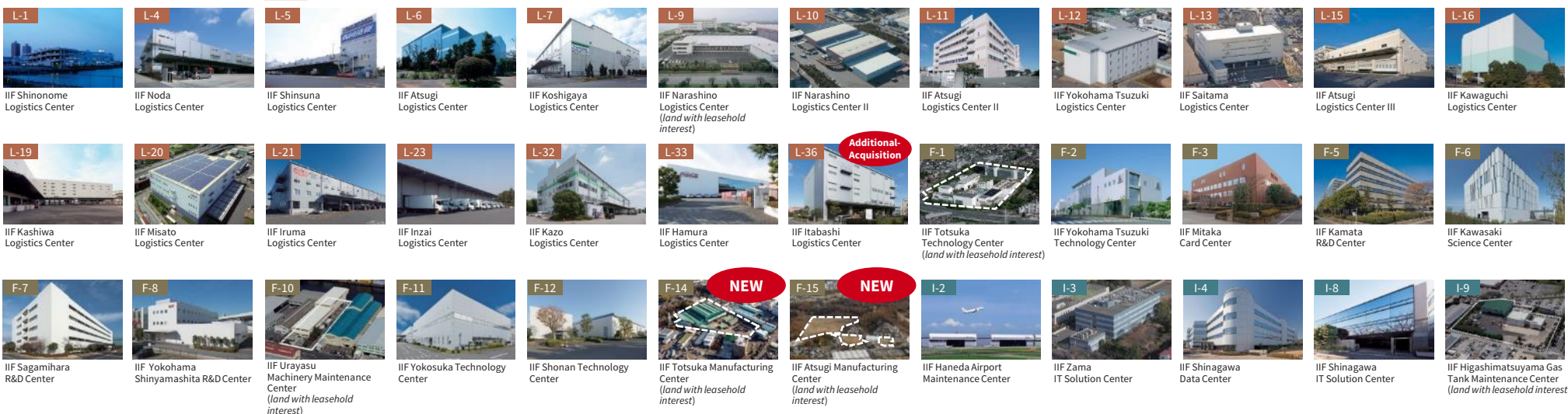




# Our Portfolio (As of July 31, 2018)

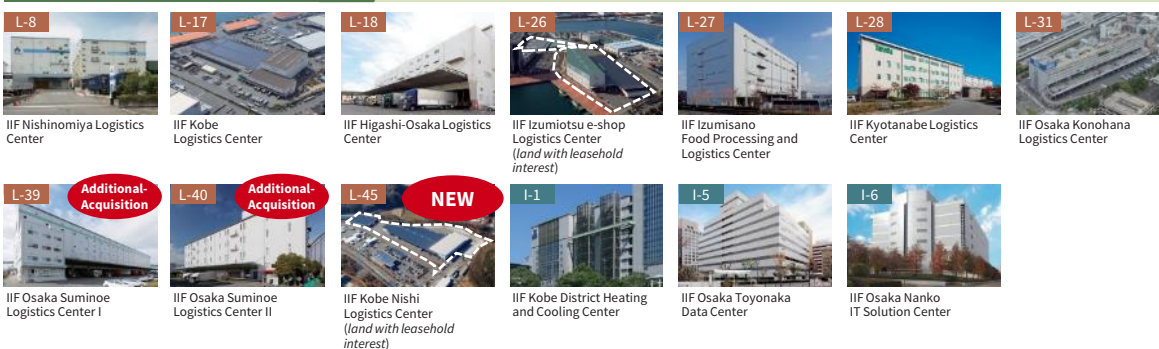
## Greater Tokyo Area<sup>(1)</sup> 36 properties

Logistics: 19 properties, Manufacturing/R&D: 12 properties, Infrastructure: 5 properties



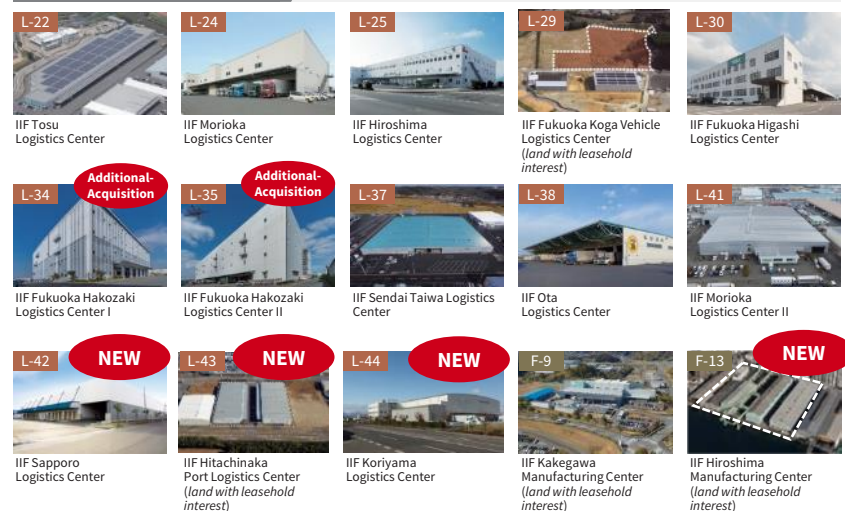
## Greater Osaka Area<sup>(2)</sup> 13 properties

Logistics: 10 properties, Infrastructure: 3 properties



## Other Area<sup>(4)</sup> 15 properties

Logistics: 13 properties, Manufacturing/R&D: 2 property



## Greater Nagoya Area<sup>(3)</sup> 2 properties

Logistics: 1 property, Infrastructure: 1 property



(1) Greater Tokyo Area includes Tokyo Metropolitan area and Kanagawa, Chiba and Saitama prefectures.

(2) Greater Osaka Area includes Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures.

(3) Greater Nagoya Area includes Aichi, Mie and Gifu prefectures.

(4) Other Areas are areas other than Greater Tokyo Area, Greater Osaka Area and Greater Nagoya Area.



## 【New acquisition】 IIF Atsugi Manufacturing Center (land with leasehold interest)



### Long-term usability

- The new plant of Ichikoh Industries, Ltd., a 115-year-old automotive-parts, mainly head lamps, manufacturer, that is planned to construct the base plant for their main product, automobile headlamps. (Production function is planned to be transferred from Isehara manufacturing plant.)
- Scheduled to sign a 30-year fixed-term lease agreement with the land lessee after completion.

### Versatility

- Situated on a newly developed land located within an industrial complex, allowing 24-hour operation.
- Located approx. 7.0 km from Tomei Expressway Atsugi IC, accessible to central west Tokyo and Kawasaki/Yokohama via National Highway Route 246.
- The new building is highly versatile as an industrial facility; equipped with a span length of approx. 16m × 12m, a minimum under-beam height of approx. 6.7m, and a floor load of 1.5t /m<sup>2</sup> (Expected).

(Note) Regarding contract term and remaining contract term, it is calculated as the total of following two periods. Lease contract for temporary use of land which the contract starts after acquiring land (one year and two months) and fixed-term contract which is to be concluded after the completion of the building (30 years).

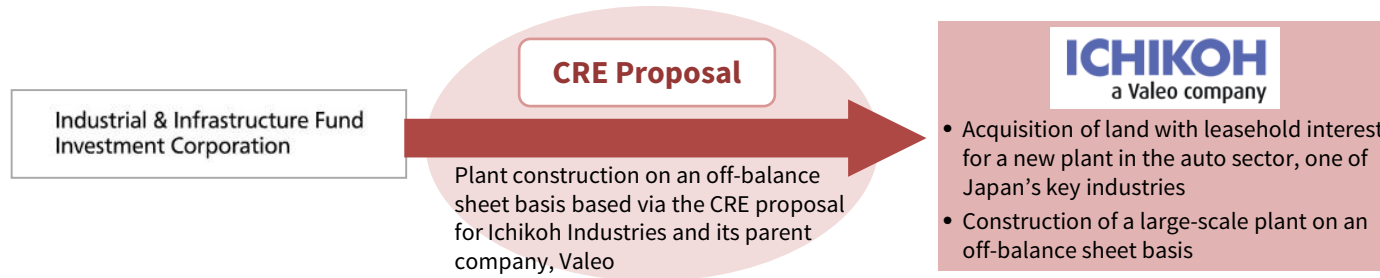
Acquisition price	<b>JPY4,940mn</b>
NOI yield before depreciation (stabilized forecast)	<b>5.0%</b>
NOI yield after depreciation (stabilized forecast)	<b>5.0%</b>
Tenant	IBJ Leasing
Occupancy rate	100.0%
Lease type	(Before the completion of the building) Lease contract for temporary use of land (After the completion of the building) Fixed-term leasehold
Contract term (Remaining term)	31.1 years (30.9 years) <sup>(Note)</sup>
Cancellation before maturity / rent revision	(Before the completion of the building) Not allowed / Not allowed (After the completion of the building) Not allowed in general / Not allowed in general

### Assembly line (Oita factory, Kyushu Ichikoh Industries)

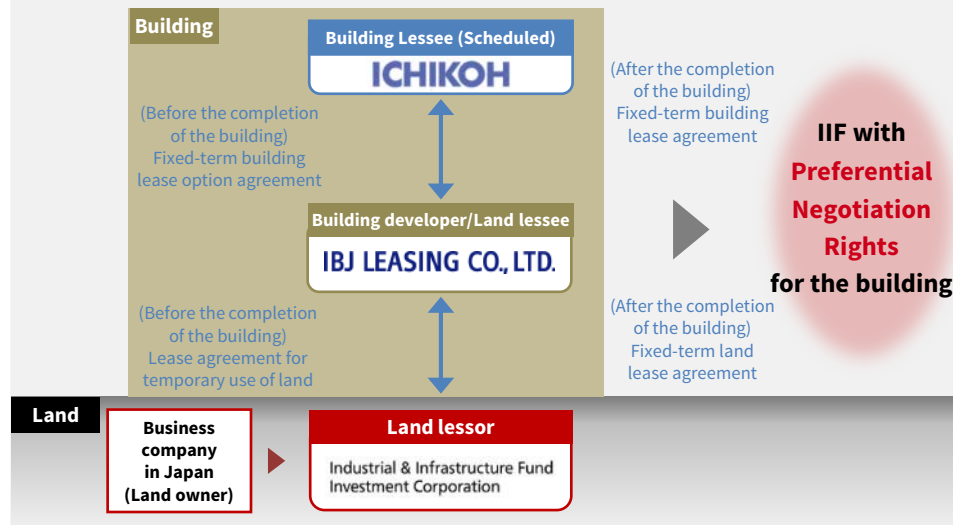


## 【New acquisition】 IIF Atsugi Manufacturing Center (land with leasehold interest) (Cont'd)

- Acquired as an important base through an off-balance sheet development scheme. Obtained via a CRE proposal by using a leasing company, reflecting new facility demand of Ichikoh.



### Transaction structure overview (under construction)



### New Development Project Plan

#### IIF Atsugi Manufacturing Center (Expected to be completed in May 2019)



Building	Preferential Negotiation Rights
Land	Acquired

- Off-balance sheet development project which satisfies the needs of Ichikoh Industries, Ltd., a major automotive-parts manufacturer that is looking to establish a new plant
- Received preferential negotiation rights with respect to the building upon its completion<sup>(Note)</sup>

(Note) As of 20<sup>th</sup> September, 2018, IIF does not have any plans to acquire the building. In addition, the building has not been completed yet as of today and projects may not go as planned. There is also a possibility that the building will not be built or leased as planned



## 【New acquisition】 IIF Totsuka Manufacturing Center (land with leasehold interest)



Acquisition price	<b>JPY2,300mn</b>
NOI yield before depreciation (stabilized forecast)	<b>5.0%</b>
NOI yield after depreciation (stabilized forecast)	<b>5.0%</b>
Tenant	MITSUIKE CORPORATION
Occupancy rate	100.0%
Lease type	Fixed-term leasehold
Contract term (Remaining term)	50.0 years (49.6 years)
Cancellation before maturity / rent revision	Not allowed for 7 years / Not allowed in general

### Long-term usability

- Highly sustainable for business use for approx. 50 years (remaining term of rent 49.6 years) under the terms stipulated in the fixed-term lease agreement.
- Main plant as well as the headquarter of Mitsuike Corporation, a manufacturer of automobile bodies and parts whose main business partners are group companies of Nissan Motor Co., Ltd.
- Good access from Nissan Motor Co., Ltd. group's Nissan Shatai Co., Ltd. Headquarters and Oppama plant, allowing for smooth distribution of products.
- Located within the Totsuka industrial complex, where plants of automotive-part manufacturers and various other sectors are based. As a result, the area is attractive to a variety of tenants.
- Near Yokohama Shindo and has a high potential as an industrial location in the city area as it is easily accessible from the urban area.
- Located within the Totsuka industrial complex, just 1.3 km from Kamiyabe IC through Yokohama Shindo giving good traffic access to National Highway Route 16, Keihin road route 3, and Metropolitan Expressway. Also it is in an advantageous location where residents integrate as a bed town, good for securing a workforce.

### Versatility





## 【New acquisition】 IIF Hiroshima Manufacturing Center (land with leasehold interest)



Acquisition price	<b>JPY1,608mn</b>
NOI yield before depreciation (stabilized forecast)	<b>6.2%</b>
NOI yield after depreciation (stabilized forecast)	<b>6.2%</b>
Tenant	Metal One Corporation
Occupancy rate	100.0%
Lease type	Ordinary lease
Contract term (Remaining term)	20.0 years (18.7 years)
Cancellation before maturity / rent revision	Not allowed for three years and five months / Not allowed in general

### Long-term usability

- Tenant (landlessee/building owner) is Metal One, a major steel trading company and subsidiary of Mitsubishi Corporation has invested. The buildings thereon are leased to several companies (including affiliates, processing companies and stores) and are used as a distribution point for coil/steal pipes in the manufacturing and construction industries.
- In order to maintain stability in the mid term, Metal One and IIF have set a non-cancelable period until August 2021 in the lease agreement.

### Versatility

- Good access to Hiroshima city; approx.1.3 km from Hiroshima Highway Route 3 Yoshijima IC, approx.1.2 km from Hiroshima Electric Railway Eba station. Also, it is in an advantageous location where it is close to residential area, good for securing a workforce.
- Close to Mitsubishi Heavy Industry Hiroshima Machinery Works Eba Plant, located in area where plants are concentrated. Products can be unloaded from the sea by the crane installed to the building.





## 【New acquisition】 IIF Kobe Nishi Logistics Center (land with leasehold interest)



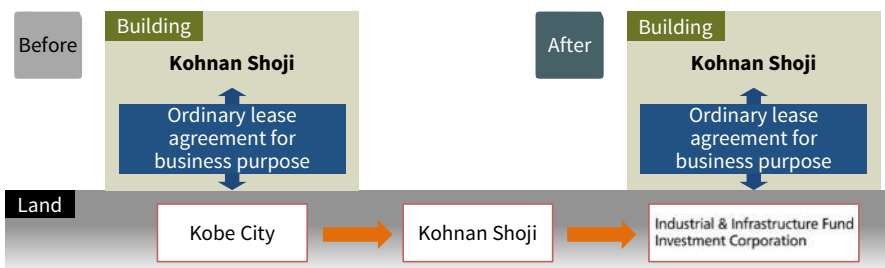
Acquisition price	<b>JPY1,960mn</b>
NOI yield before depreciation (stabilized forecast)	<b>4.6%</b>
NOI yield after depreciation (stabilized forecast)	<b>4.6%</b>
Tenant	Kohnan Shoji Co., Ltd.
Occupancy rate	100.0%
Lease type	Ordinary lease
Contract term (Remaining term)	20.0 years (19.7 years)
Cancellation before maturity / rent revision	Not allowed for 17 years / Not allowed in general

### Long-term usability

- Located within Kobe Techno Logistics Park, which is a multiple industrial complex in Kobe City Nishi-ku.
- Important facility of Kohnan Shoji Co., Ltd. as a logistics center in western Japan, established in February 2005.
- Highly sustainable for business use for approx. 20 years (non-cancellation period of 17 years) under the terms stipulated in the lease agreement.

### Versatility

- Close to Sanyo Express Way Kobe Nishi IC, good access for large-sized cars enabling 24-hour operation.
- Connected to Sanyo Expressway and Hanshin Expressway, thereby enabling far reaching distribution to Kansai, Chugoku and Shikoku regions.





## 【New acquisition】 IIF Hitachinaka Port Logistics Center (land with leasehold interest)



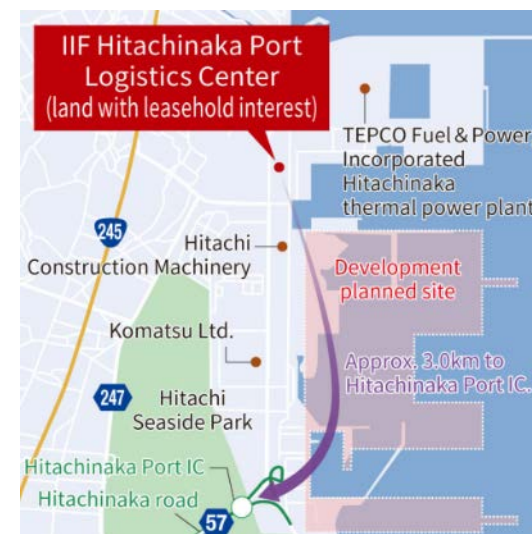
Acquisition price	<b>JPY1,145mn</b>
NOI yield before depreciation (stabilized forecast)	<b>4.8%</b>
NOI yield after depreciation (stabilized forecast)	<b>4.8%</b>
Tenant	Aono Sangyo Corporation
Occupancy rate	100.0%
Lease type	Fixed-term leasehold
Contract term (Remaining term)	30.0 years (29.2 years)
Cancellation before maturity / rent revision	Not allowed in general / Not allowed in general

### Long-term usability

- Long term contract for a period of 30 years (non-cancellable in general).
- Stores and provides a stable and sustainable supply of rice within Japan. Located in Ibaraki port Hitachinaka district, the gateway for imported rice, this property is used to store imported rice, including the government's emergency rice stocks, soybeans produced in Ibaraki and other food.
- Able to import government's minimum access rice<sup>(Note)</sup> and provide a stable and sustainable supply of rice by storing emergency rice stocks.

### Versatility

- Ibaraki port Hitachinaka district is an important port.
- Located in a harbor/commercial port district, where warehouses, distribution/process facilities and waste disposal facilities are concentrated.
- Approx. 3 km from Hitachinaka Port IC, easy access to North Kanto. With the whole line opening of the Kita-Kanto Expressway and opening of all sections of Metropolitan Inter-city Expressway within Ibaraki (Feb 2017), it is expected to serve as a gateway to North Kanto.



(Note) "Minimum access rice" refers to imported rice that minimum import amount is agreed in 1993 at the Uruguay Round negotiation for General Agreement on Tariffs and Trade (GATT).



## 【New acquisition】 IIF Koriyama Logistics Center



Acquisition price	<b>JPY2,585mn</b>
NOI yield before depreciation (stabilized forecast)	<b>7.4%</b>
NOI yield after depreciation (stabilized forecast)	<b>5.6%</b>
Tenant	Nichirei Logistics Group Inc.
Occupancy rate	100.0%
Lease type	Fixed-term leasehold
Contract term (Remaining term)	20.0 years (7.3 years)
Cancellation before maturity / rent revision	Not allowed in general / With clause

### Long-term usability

- Long term contract for a period of 20 years (non-cancelable in general) with Nichirei Logi Group, the largest frozen-foods provider in Japan.
- Located near the HQ of the largest supermarket operator in the Tohoku area and aids the operator in covering its stores within Fukushima.

### Versatility

- Wide area of distribution; approx. 2 km from Tohoku Expressway Koriyama minami IC, approx. 2.5 km from National Highway Route 4.
- Located within an industrial complex where Koriyama Regional Wholesale Market and food-related logistic facilities are located, allowing for 24-hour operation.





# **【New acquisition】 IIF Sapporo Logistics Center (Left) /** **【Additional acquisition】 IIF Itabashi Logistics Center (40% co-ownership interest) (Right)**



Acquisition price	<b>JPY2,480mn</b>
NOI yield before depreciation (stabilized forecast)	<b>5.4%</b>
NOI yield after depreciation (stabilized forecast)	<b>4.7%</b>

Tenant	Nippon Express Co., Ltd.
Occupancy rate	100.0%
Lease type	Fixed-term leasehold
Contract term (Remaining term)	7.0 years (5.8 years)
Cancellation before maturity / rent revision	Not allowed in general / Negotiable

## Long-term usability

- Important shipping base of major beverage manufacturer group covering Sapporo city and the Hokkaido area.
- Concluded a long-term stable fixed-term lease contract for a period of 7 years.

## Versatility

- Located approx. 8 km (20 min by car) from Sapporo city, the largest consumption area in Hokkaido.
- Central point for transportation (land/sea). Located near Hokkaido Expressway Sapporo IC, allowing good access to Tomakomai Port and New Chitose Airport.
- Parking lots for car commuters.
- 24-hour operation in an area where manufacturing logistics facilities are concentrated.

Acquisition price	<b>JPY686mn</b>
NOI yield before depreciation (stabilized forecast)	<b>4.4%</b>
NOI yield after depreciation (stabilized forecast)	<b>3.7%</b>

Tenant	Higashi Twenty One Co., Ltd.
Occupancy rate	100.0%
Lease type	Ordinary Lease
Contract term (Remaining term)	20.0 years (8.8 years)
Cancellation before maturity / rent revision	Allowed (6 months' notice) / Negotiable

## Long-term usability

- The property, constructed based on the premise of the tenant's target market, functions as a key logistics base for the tenant's 3PL<sup>(Note)</sup> operation under the name of "Tokyo Integrated Logistics Center".
- High-degree of continuity backed by the long-term contract of 20 years.

## Versatility

- Logistics hub located in northern Tokyo near the Tokyo-Gaikan Expressway with good access to National Route 17 and Metropolitan Expressway No.5 Ikebukuro Route.
- Specifications offering versatility as an urban-type distribution site, as represented by the floor load and ceiling height.

(Note) 3PL (third party logistics) is a company's use of third party businesses to outsource elements of such company's distribution and fulfillment services.



# **[Additional acquisition]** IIF Osaka Suminoe Logistics Center I (25% co-ownership interest) (Left) / **[Additional acquisition]** IIF Osaka Suminoe Logistics Center II (25% co-ownership interest) (Right)



Acquisition price	<b>JPY3,025mn</b>
NOI yield before depreciation (stabilized forecast)	<b>4.2%</b>
NOI yield after depreciation (stabilized forecast)	<b>3.3%</b>
Tenant	Toshiba Logistics Corporation
Occupancy rate	100.0%
Lease type	Fixed-term leasehold
Contract term (Remaining term)	20.0 years (7.7 years)
Cancellation before maturity / rent revision	Allowed (1 year notice) / Negotiable

## Long-term usability

- High-degree of continuity backed by a fixed-term lease contract of 20 years.
- Hub for logistics in western Japan, playing a role as a warehouse of home appliances.

## Versatility

- Advantageous location for both land and sea transportation: it is approximately 2.3 km from the closest expressway interchange and approximately 5 km from Osaka Nanko Container Wharf, located in an area designated as a restricted industrial zone that allows for 24-hour operation.
- Rare large-scale and highly-functional logistics facility with strong market competitiveness.

Acquisition price	<b>JPY635mn</b>
NOI yield before depreciation (stabilized forecast)	<b>4.7%</b>
NOI yield after depreciation (stabilized forecast)	<b>4.1%</b>
Tenant	Toshiba Logistics Corporation
Occupancy rate	100.0%
Lease type	Ordinary Lease
Contract term (Remaining term)	1.0 years (0.1 years)
Cancellation before maturity / rent revision	Allowed (3 month notice) / Not allowed in general

## Long-term usability

- Hub for both domestic transportation and export, functioning as a warehouse of semiconductor products.

## Versatility

- Advantageous location for both land and sea transportation: it is approximately 2.1 km from the closest expressway interchange and approximately 5 km from Osaka Nanko Container Wharf, located in an area designated as a restricted industrial zone in which 24-hour operations are allowed.
- Location within walking distance from Kitakagaya Station of the Osaka Municipal Subway Yotsubashi Line, which is surrounded by a residential area that allows the tenant to secure workforce.



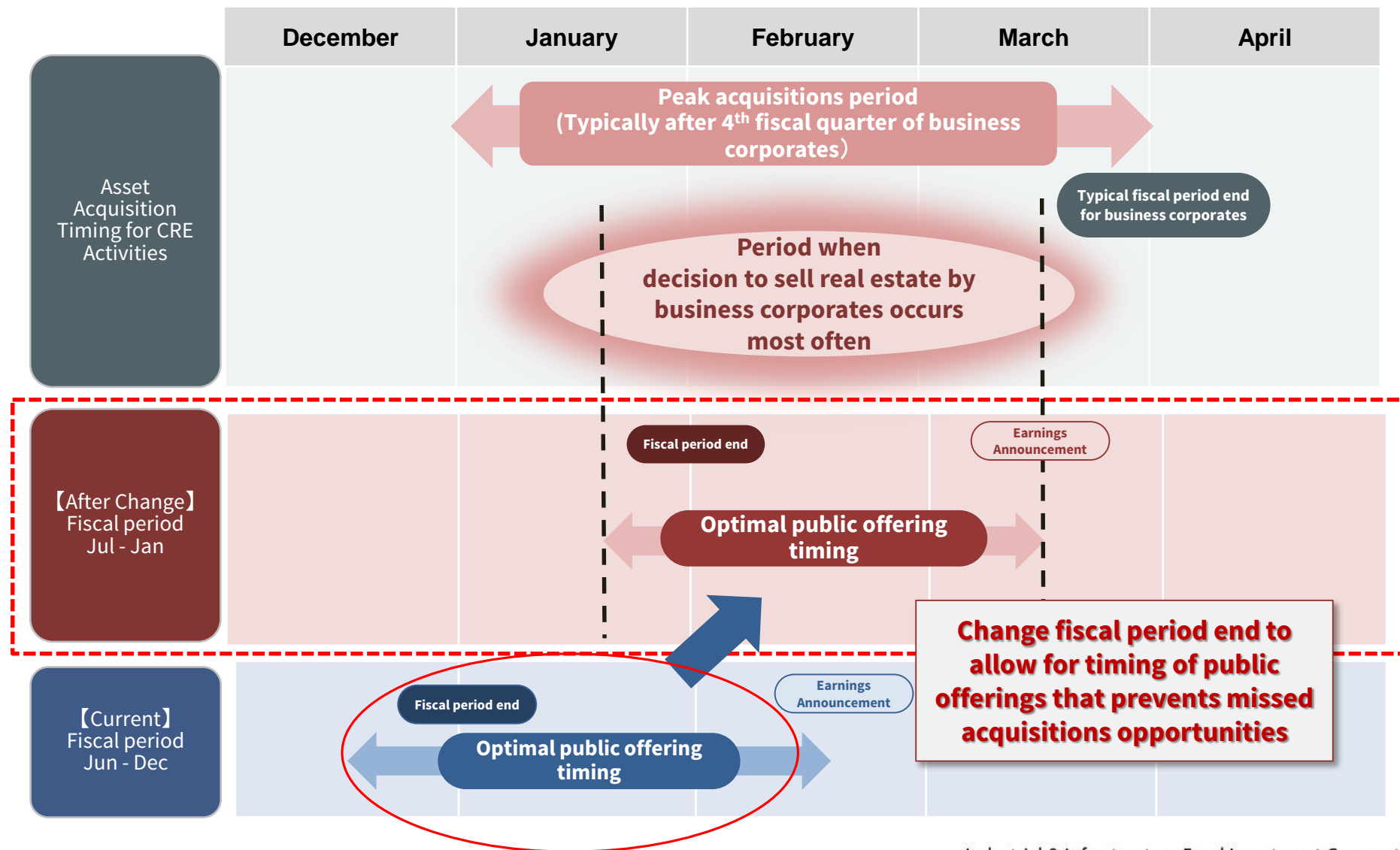
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## Change of Fiscal Period (1)

Consider both “Expansion of acquisition opportunities” and “Optimal funding timing,” to change fiscal period to end to July and January

If industrial real estate is acquired from business corporates from CRE proposals, the seller is likely to reach a decision after its 4th fiscal quarter

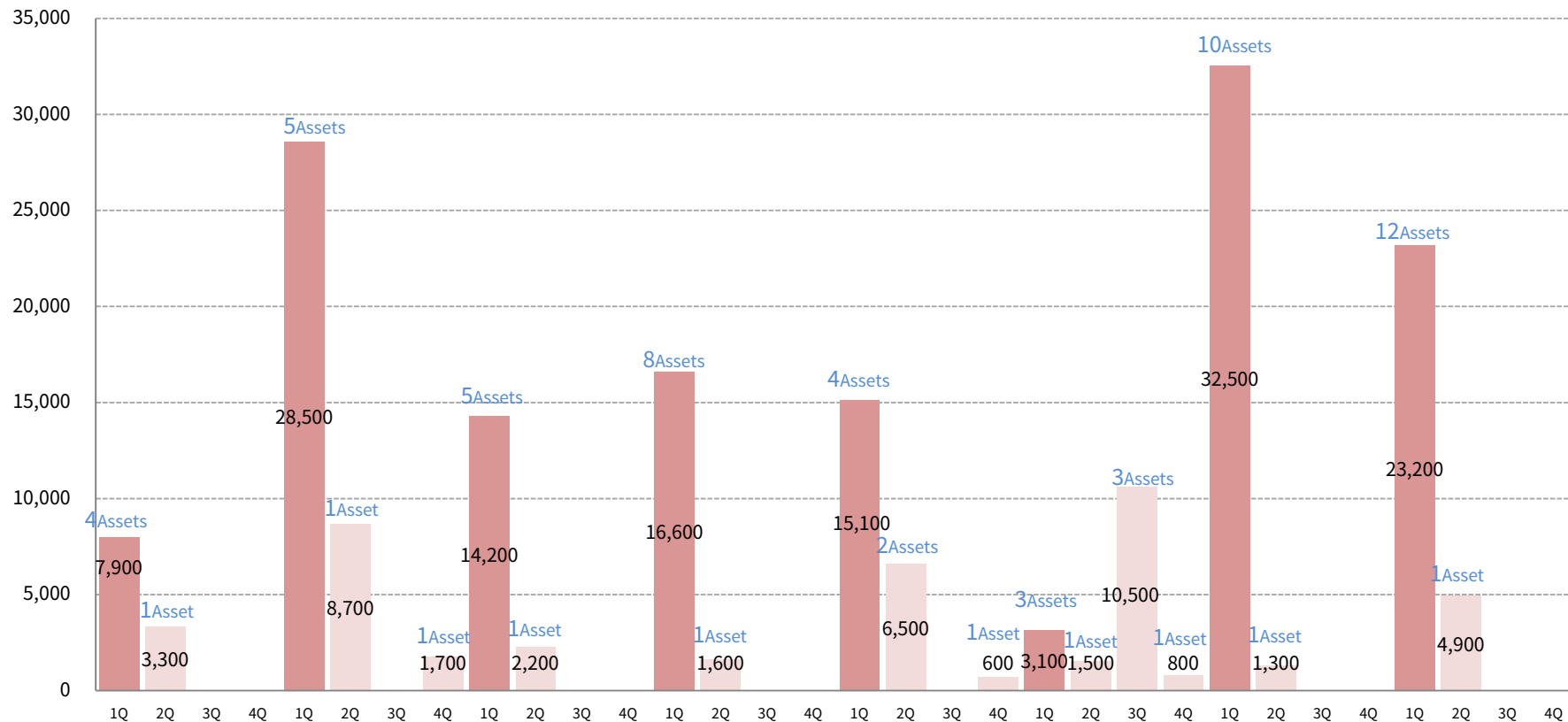


## Change of Fiscal Period (2)

IIF's acquisitions have concentrated around the first quarter of the year in the past

### ■ Acquisition timing, price and property number

Total Acquisition Price  
(JPY mn.)



	2011	2012	2013	2014	2015	2016	2017	2018
Announcement Date of Public Offering	Feb. 21st	Feb. 15th	Jan. 16th	Jan. 15th	Feb. 25th	—	Jan. 24th	Feb. 20th

(Note) IIF Sendai Taiwa Logistics Center (Extension Building) is not included in the figures above.



# Overview of Temporary Distribution in Excess of Profit (TDEP) ①

## Temporary distribution in excess of profit

Policy  
Introduced in 2016

Response to Tax  
Code Reform in 2016

Item

**(A) Distribution with decrease of investment capital under tax laws**

**(B) Distributions of allowance for temporary difference adjustment**

Summary

**Distributions funded from depreciation expense and other sources**

**Distributions to reduce burden of taxation due to inconsistency between taxation and accounting or deductible equity items**

Tax treatment  
of  
distributions

**Treated as redemption of investment capital, and therefore treated as deemed transfer income (Sometimes partially treated as deemed transfer income)**

**Treated as distributions, and therefore as dividend income <sup>(Note)</sup>**

**Temporary distribution in excess of profit possible only when DPU is expected to decrease temporarily due to issuance of new investment units or other similar causes**

**In case deferred losses on hedges or other losses are generated, implement temporary distribution in excess of profit to lighten (avoid) tax burden**

(Note) In principle, accounting treatment of distributions received are determined based on purpose of the securities held as shown below. However, it is necessary to independently consult an accountant or tax counsel for the appropriate response.  
Available for Sale Securities: Treat as Distributions Received  
Other Classifications: Reduce book value from investment securities

# Overview of Temporary Distribution in Excess of Profit ②

## ■ Introduction of temporary distribution in excess of profit

### Policy Introduced in 2016

(A) Distributions funded from depreciation expense or other funding sources  
(Shown in (1) below)

(B) Distributions to reduce (avoid) tax burden from inconsistency between taxation and accounting and deductible equity items (Shown in (2) below)

As part of financial strategy to maximize unitholder value, IIF may issue new investment units mid-period. In order to sufficiently consider dilution effects and from the perspective of standardizing distributions, we will introduce temporary distribution in excess of profit with depreciation as funding source

### Distribution Policy

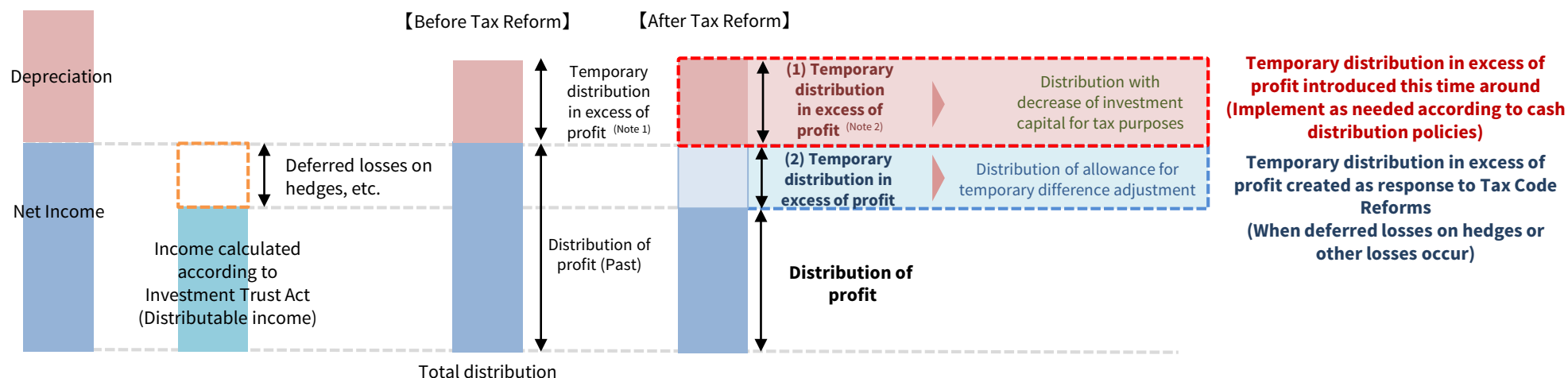
- ✓ When dilution or incurrence of considerable expense in connection with the acquisition of assets or issuance of new investment units is expected and the amount of distribution per unit is likely to temporarily decrease in a certain amount, IIF may distribute the amount of cash determined by IIF as temporary distribution in excess of profit solely for the purpose of keeping the level of distribution per unit

### Distribution Standards

- ✓ The level of temporary distribution in excess of profit shall be up to the amount equivalent to 60% of the amount obtained by subtracting the total amount of accumulated depreciation recorded on the last day of the business period immediately preceding the corresponding business period from the total amount of accumulated depreciation recorded on the last day of the corresponding business period and shall be determined after comprehensive examination

- ✓ Due to tax code reforms, monetary distributions related to discrepancies between tax and financial accounting or deferred hedging losses, an equity item, are not recognized as distribution from profit, and was clarified to be treated as distribution in excess of profit (distribution from temporary reserves)
- ✓ Therefore, if deferred hedging losses or other losses occur, IIF will in principle implement DPU in excess of temporary profit in the amount equivalent to the hedging loss as reserve for temporary adjustments

## ■ Illustration of IIF's Philosophy towards Distribution of Income



(Note 1) Not implemented by IIF as of September 20, 2018

(Note 2) Limited to 60% of depreciation expense



# Our Portfolio (1) (As of July 31, 2018)

## Logistics Facilities

Property Number	Name of Property		Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (million yen)	Percentage	Appraisal Value as of the End of Period (million yen) (Note 3)	Percentage	Total Leasable Area (Note 4)	Percentage	Occupancy Rate (Note 5)	PML (Note 6)
L-1	IIF Shinonome Logistics Center (Note 7)		Koto-ku, Tokyo	Feb 2006	12.5 years	13,700	5.0%	16,748	5.2%	27,493.29㎡	1.9%	100.0%	4.6%
L-4	IIF Noda Logistics Center		Noda-shi, Chiba	Mar 2006	12.4 years	6,500	2.4%	8,900	2.8%	38,828.10㎡	2.6%	100.0%	0.3%
L-5	IIF Shinsuna Logistics Center		Koto-ku, Tokyo	Jun 1998	20.2 years	5,300	1.9%	7,290	2.3%	5,741.75㎡	0.4%	100.0%	6.4%
L-6	IIF Atsugi Logistics Center		Atsugi-shi, Kanagawa	Jan 2005	13.5 years	2,100	0.8%	2,120	0.7%	10,959.68㎡	0.7%	100.0%	8.7%
L-7	IIF Koshigaya Logistics Center		Koshigaya-shi, Saitama	Sep 1985	32.9 years	2,000	0.7%	2,730	0.9%	10,113.50㎡	0.7%	100.0%	2.6%
L-8	IIF Nishinomiya Logistics Center	existing building	Nishinomiya-shi, Hyogo	May 1997	21.2 years	1,300	0.5%	2,990	0.9%	10,608.00㎡	0.7%	100.0%	9.9%
		extension building		May 2016	2.2 years	859	0.3%	2,990	0.9%	6,592.00㎡	0.4%	100.0%	6.7%
L-9	IIF Narashino Logistics Center (land with leasehold interest)		Narashino-shi, Chiba	—	—	1,190	0.4%	2,690	0.8%	19,834.71㎡	1.3%	100.0%	—
L-10	IIF Narashino Logistics Center II	(land with leasehold interest)	Narashino-shi, Chiba	—	—	3,350	1.2%	6,460	2.0%	58,070.00㎡	4.0%	100.0%	—
		(building with leasehold interest)		Apr 1991	27.3 years	1,200	0.4%	6,460	2.0%	25,835.16㎡	1.8%	100.0%	9.2%
L-11	IIF Atsugi Logistics Center II		Atsugi-shi, Kanagawa	Oct 1992	25.8 years	3,100	1.1%	3,960	1.2%	20,661.13㎡	1.4%	100.0%	7.6%
L-12	IIF Yokohama Tsuduki Logistics Center		Yokohama-shi, Kanagawa	Sep 1998	19.9 years	2,350	0.9%	3,210	1.0%	9,464.03㎡	0.6%	100.0%	8.7%
L-13	IIF Saitama Logistics Center		Saitama-shi, Saitama	Dec 1989	28.6 years	1,490	0.5%	2,090	0.7%	8,995.00㎡	0.6%	100.0%	4.2%
L-14	IIF Nagoya Logistics Center		Nagoya-shi, Aichi	Apr 1990	28.3 years	1,050	0.4%	1,580	0.5%	8,721.01㎡	0.6%	100.0%	9.1%
L-15	IIF Atsugi Logistics Center III		Atsugi-shi, Kanagawa	Oct 1981	36.8 years	2,290	0.8%	3,060	1.0%	16,584.64㎡	1.1%	100.0%	7.3%
L-16	IIF Kawaguchi Logistics Center		Kawaguchi-shi, Saitama	Apr 2002	16.3 years	1,770	0.6%	4,380	1.4%	11,705.02㎡	0.8%	100.0%	10.7%
L-17	IIF Kobe Logistics Center		Kobeshi, Hyogo	Jan 2001	17.5 years	5,193	1.9%	7,560	2.4%	39,567.74㎡	2.7%	100.0%	5.5%
L-18	IIF Higashi Osaka Logistics Center		Higashi Osaka-shi, Osaka	Nov 1991	26.7 years	2,280	0.8%	3,210	1.0%	20,495.06㎡	1.4%	97.3%	9.0%
L-19	IIF Kashiwa Logistics Center		Kashiwa-shi, Chiba	Nov 1990	27.7 years	1,810	0.7%	2,890	0.9%	17,379.78㎡	1.2%	100.0%	4.4%
L-20	IIF Misato Logistics Center		Misato-shi, Saitama	Feb 2007	11.5 years	3,550	1.3%	5,310	1.7%	19,019.71㎡	1.3%	100.0%	4.0%
L-21	IIF Iruma Logistics Center		Iruma-shi, Saitama	Dec 2010	7.6 years	3,184	1.2%	4,220	1.3%	17,881.65㎡	1.2%	100.0%	5.8%
L-22	IIF Tosu Logistics Center		Tosu-shi, Saga	Feb 2007	11.5 years	1,570	0.6%	1,970	0.6%	13,862.05㎡	0.9%	100.0%	0.8%
L-23	IIF Inzai Logistics Center		Inzai-shi, Chiba	Feb 2007	11.4 years	1,060	0.4%	1,370	0.4%	5,490.00㎡	0.4%	100.0%	4.7%
L-24	IIF Morioka Logistics Center		Shiwa-gun, Iwate	Aug 2005	13.0 years	600	0.2%	1,240	0.4%	8,001.57㎡	0.5%	100.0%	1.9%
L-25	IIF Hiroshima Logistics Center		Hiroshima-shi, Hiroshima	Dec 2013	4.6 years	3,540	1.3%	4,570	1.4%	22,768.24㎡	1.5%	100.0%	4.8%
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)		Izumiotsu-shi, Osaka	—	—	4,000	1.5%	4,430	1.4%	48,932.00㎡	3.3%	100.0%	—
L-27	IIF Izumisano Food Processing and Logistics Center		Izumisano-shi, Osaka	Oct 1996	21.8 years	860	0.3%	1,090	0.3%	13,947.83㎡	0.9%	100.0%	12.3%
L-28	IIF Kyotanabe Logistics Center		Kyotanabe-shi, Kyoto	Mar 2007	11.4 years	5,730	2.1%	7,380	2.3%	33,243.99㎡	2.3%	100.0%	5.6%
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)		Koga-shi, Fukuoka	—	—	860	0.3%	981	0.3%	30,815.97㎡	2.1%	100.0%	—
L-30	IIF Fukuoka Higashi Logistics Center		Fukuoka-shi, Fukuoka	Jan 1997	21.6 years	1,860	0.7%	2,050	0.6%	11,262.86㎡	0.8%	100.0%	0.2%
L-31	IIF Osaka Konohana Logistics Center		Osaka-shi, Osaka	Jan 1991	27.6 years	8,700	3.2%	9,560	3.0%	46,262.20㎡	3.1%	100.0%	9.6%
L-32	IIF Kazo Logistics Center		Kazo-shi, Saitama	Apr 1989	29.3 years	2,361	0.9%	2,760	0.9%	17,744.41㎡	1.2%	100.0%	8.2%
L-33	IIF Hamura Logistics Center		Hamura-shi, Tokyo	Jul 1991	27.0 years	820	0.3%	908	0.3%	3,892.66㎡	0.3%	100.0%	4.2%
L-34	IIF Fukuoka Hakozaki Logistics Center I		Fukuoka-shi, Fukuoka	Feb 2008	10.5 years	5,170	1.9%	5,210	1.6%	24,999.77㎡	1.7%	100.0%	0.4%
L-35	IIF Fukuoka Hakozaki Logistics Center II	existing building	Fukuoka-shi, Fukuoka	Mar 2008	10.4 years	10,179	3.7%	10,900	3.4%	51,385.32㎡	3.5%	100.0%	0.2%
		extension building		Feb 2018	0.4 years								
L-36	IIF Itabashi Logistics Center		Itabashi-ku, Tokyo	May 2007	11.2 years	1,717	0.6%	1,930	0.6%	5,057.68㎡	0.3%	100.0%	5.8%
L-37	IIF Sendai Taiwa Logistics Center		Kurokawa-gun, Miyagi	Jan 2006	12.5 years	1,546	0.6%	1,670	0.5%	15,555.15㎡	1.1%	100.0%	2.4%
L-38	IIF Ota Logistics Center		Ota-shi, Gunma	Feb 2006	12.4 years	1,010	0.4%	1,160	0.4%	6,900.01㎡	0.5%	100.0%	7.0%
L-39	IIF Osaka Suminoe Logistics Center I		Osaka-shi, Osaka	Mar 2006	12.3 years	12,100	4.4%	13,900	4.3%	52,201.30㎡	3.6%	100.0%	4.8%
L-40	IIF Osaka Suminoe Logistics Center II		Osaka-shi, Osaka	Jul 1991	27.1 years	2,540	0.9%	2,730	0.9%	12,299.76㎡	0.8%	100.0%	3.9%
L-41	IIF Morioka Logistics Center II		Shiwa-gun, Iwate	Mar 1997	21.4 years	1,302	0.5%	1,570	0.5%	12,383.30㎡	0.8%	100.0%	1.7%
L-42	IIF Sapporo Logistics Center		Sapporo-shi, Hokkaido	May 2009	9.2 years	2,480	0.9%	2,610	0.8%	13,064.75㎡	0.9%	100.0%	2.0%
L-43	IIF Hitachinaka Port Logistics Center(land with leasehold interest)		Naka-gun, Ibaraki	—	—	1,145	0.4%	1,210	0.4%	20,000.00㎡	1.4%	100.0%	—
L-44	IIF Koriyama Logistics Center		Koriyama-shi, Fukushima	Oct 2005	12.8 years	2,585	0.9%	3,170	1.0%	17,533.15㎡	1.2%	100.0%	2.8%
L-45	IIF Kobe Nishi Logistics Center(land with leasehold interest)		Kobe-shi, Hyogo	—	—	1,960	0.7%	2,130	0.7%	33,000.00㎡	2.2%	100.0%	—
Logistics Facilities Total					16.6 years	141,263	51.4%	177,897	55.7%	925,154.93㎡	62.9%	99.9%	—

# Our Portfolio (2) (As of Jul. 31, 2018)

## Manufacturing / R&D, Infrastructure Facilities and Portfolio Total

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (million yen)		Appraisal Value as of the End of Period (million yen) (Note 3)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)
						Percentage		Percentage		Percentage		
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	4,500	1.6%	5,400	1.7%	31,442.47m <sup>2</sup>	2.1%	100.0%	—
F-2	IIF Yokohama Tsuduki Technology Center	Yokohama-shi, Kanagawa	Feb 1996	22.5 years	1,100	0.4%	1,340	0.4%	4,655.48m <sup>2</sup>	0.3%	100.0%	3.3%
F-3	IIF Mitaka Card Center	Mitaka-shi, Tokyo	Apr 1994	24.3 years	8,700	3.2%	10,100	3.2%	21,615.01m <sup>2</sup>	1.5%	100.0%	6.7%
F-5	IIF Kamata R&D Center	Ohta-ku, Tokyo	Jun 1988	30.2 years	7,200	2.6%	8,400	2.6%	21,896.56m <sup>2</sup>	1.5%	100.0%	7.7%
F-6	IIF Kawasaki Science Center	Kawasaki-shi, Kanagawa	May 2014	4.2 years	2,168	0.8%	2,950	0.9%	4,857.73m <sup>2</sup>	0.3%	100.0%	9.7%
F-7	IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Jul 1989	29.1 years	3,100	1.1%	3,960	1.2%	19,328.40m <sup>2</sup>	1.3%	100.0%	8.5%
F-8	IIF Yokohama Shinyamashita R&D Center	Yokohama-shi, Kanagawa	Aug 2007	10.9 years	3,810	1.4%	4,230	1.3%	4,887.83m <sup>2</sup>	0.3%	100.0%	5.0%
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	Kakegawa-shi, Shizuoka	—	—	1,540	0.6%	1,760	0.6%	66,171.92m <sup>2</sup>	4.5%	100.0%	—
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	Urayasu-shi, Chiba	—	—	1,300	0.5%	1,660	0.5%	7,925.94m <sup>2</sup>	0.5%	100.0%	—
F-11	IIF Yokosuka Technology Center	Yokosuka-shi, Kanagawa	Nov 1995	22.7 years	4,000	1.5%	4,470	1.4%	13,779.77m <sup>2</sup>	0.9%	100.0%	5.0%
F-12	IIF Shonan Technology Center	Koza-gun, Kanagawa	Jul 1994	24.0 years	1,200	0.4%	1,340	0.4%	7,244.71m <sup>2</sup>	0.5%	100.0%	4.8%
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Hiroshima-shi, Hiroshima	—	—	1,608	0.6%	1,830	0.6%	23,106.75m <sup>2</sup>	1.6%	100.0%	—
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	2,300	0.8%	2,580	0.8%	19,458.49m <sup>2</sup>	1.3%	100.0%	—
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	Atsugi-shi, Kanagawa	—	—	4,940	1.8%	5,270	1.6%	64,327.54m <sup>2</sup>	4.4%	100.0%	—
Manufacturing and R&D Facilities Total				22.8 years	47,466	17.3%	55,290	17.3%	310,698.60m <sup>2</sup>	21.1%	100.0%	—
I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Apr 1990	28.3 years	18,100	6.6%	14,700	4.6%	11,476.05m <sup>2</sup>	0.8%	100.0%	4.7%
I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	Jun 1993	25.1 years	41,110	15.0%	41,200	12.9%	81,995.81m <sup>2</sup>	5.6%	100.0%	M1 : 4.5% M2 : 3.2%
I-3	IIF Zama IT Solution Center	Zama-shi, Kanagawa	Nov 1988	29.7 years	5,384	2.0%	5,530	1.7%	10,931.89m <sup>2</sup>	0.7%	100.0%	7.3%
I-4	IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Aug 1989	28.9 years	4,900	1.8%	6,840	2.1%	19,547.11m <sup>2</sup>	1.3%	100.0%	8.9%
I-5	IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Sep 1991	26.9 years	5,600	2.0%	6,020	1.9%	20,027.14m <sup>2</sup>	1.4%	100.0%	3.8%
I-6	IIF Osaka Nanko IT Solution Center	Osaka-shi, Osaka	Mar 1992	26.4 years	1,150	0.4%	2,410	0.8%	18,435.93m <sup>2</sup>	1.3%	100.0%	5.4%
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	Nagoya-shi, Aichi	—	—	1,900	0.7%	2,240	0.7%	51,583.70m <sup>2</sup>	3.5%	100.0%	—
I-8	IIF Shinagawa IT Solution Center	Shinagawa-ku, Tokyo	Feb 1993	25.5 years	7,200	2.6%	6,740	2.1%	7,089.62m <sup>2</sup>	0.5%	76.1%	7.7%
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	Higashimatsuyama-shi, Saitama	—	—	690	0.3%	753	0.2%	12,880.38m <sup>2</sup>	0.9%	100.0%	—
Infrastructure Facilities Total				26.5 years	86,034	31.3%	86,433	27.0%	233,967.63m <sup>2</sup>	15.9%	99.3%	—
Portfolio Total				20.7 years	274,764	100.0%	319,620	100.0%	1,469,821.16m <sup>2</sup>	100.0%	99.8%	2.8%

(Note 1) "Date Completed" refers to the date the property was completed as provided in the registry.

(Note 2) "Age of building" refers to the age as of July 31, 2018.

(Note 3) "Appraisal Value as of the End of Period" refers to the appraisal value as of Jul. 31, 2018

(Note 4) "Total Leasable Area" refers to aggregate leasable area of the building or land (in the case of leasehold interest) as provided in the relevant lease agreements. With respect to IIF Shinsuna Logistics Center, the value refers to gross floor area as provided in the registry.

(Note 5) "Occupancy rate" is based on the lease contracts which are effective as of Jul. 31, 2018.

(Note 6) "PML" is based on surveys carried out in Aug. 23, 2018. PML figures for IIF Haneda Airport Maintenance Center are for M1 and M2 earthquakes.

(Note 7) Total Leasable Area and Appraisal Value for IIF Shinonome Logistics Center is in regards to the 53% of quasi-co-ownership interest of the trust beneficiary interests.

(Note 8) With respect to IIF Narashino Logistics Center II, both the land and the building with leasehold interest are managed in an integrated manner. IIF owns the trust beneficiary interests with respect to the land and the building with leasehold interest.



# Lease Contracts (1) (As of July 31, 2018)

## Logistics Facilities

Property Number	Name of Property	Name of Tenants <sup>(Note1)</sup>	No. of Tenants <sup>(Note2)</sup>	Type of Contract	Annual Rent (JPY MM) <sup>(Note3,4)</sup>	Percentage <sup>(Note5)</sup>	Lease Term <sup>(Note6)</sup>	Lease Term Remaining <sup>(Note7)</sup>	
L-1	IIF Shinonome Logistics Center	Sagawa Express Co., Ltd.	1	Fixed-Term Lease	795	4.4%	20.0 years	7.6 years	
L-4	IIF Noda Logistics Center	Mitsubishi Electric Logistics Corporation, etc.	2	Fixed-Term Lease	Not Disclosed	-	7.5 years	2.8 years	
L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	358	2.0%	20.0 years	20.0 years	
L-6	IIF Atsugi Logistics Center	Fuji Logitech Next Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.9 years	
L-7	IIF Koshigaya Logistics Center	Kabushikigaisya Tsukasa	1	Fixed-Term Lease	151	0.8%	10.0 years	2.4 years	
L-8	IIF Nishinomiya Logistics Center	Suzuyo Corporation	2	Fixed-Term Lease	Not Disclosed	-	26.7 years	17.8 years	
L-9	IIF Narashino Logistics Center (land with leasehold interest)	Kajima Leasing Corporation/JA Mitsui Leasing, Ltd.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	3.1 years	
L-10	IIF Narashino Logistics Center II <sup>(Note8)</sup>	Sapporo Breweries Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	28.0 years	22.5 years	
L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	10.0 years	4.1 years	
L-12	IIF Yokohama Tsuduki Logistics Center	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	5.7 years	
L-13	IIF Saitama Logistics Center	MM Corporation	1	Fixed-Term Lease	133	0.7%	5.0 years	1.3 years	
L-14	IIF Nagoya Logistics Center	Japan Airways Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	1.5 years	
L-15	IIF Atsugi Logistics Center III	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.5 years	
L-16	IIF Kawaguchi Logistics Center	Hitachi Transport System Metropolitan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	5.9 years	
L-17	IIF Kobe Logistics Center	Nissin Corporation	1	Ordinary Lease	Not Disclosed	-	11.7 years	6.2 years	
L-18	IIF Higashi Osaka Logistics Center	Settsu Warehouse Co., Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	11.7 years	4.5 years	
L-19	IIF Kashiwa Logistics Center	PIP LOGISTICS CO., LTD.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	4.3 years	
L-20	IIF Misato Logistics Center	Takuyo Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	15.1 years	3.7 years	
L-21	IIF Iruma Logistics Center	Daiichi Freight System Inc.	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	22.5 years	
L-22	IIF Tosu Logistics Center	Hinode Corporation, etc.	2	Ordinary Lease	Not Disclosed	-	8.1 years	2.1 years	
L-23	IIF Inzai Logistics Center	Sun Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	3.7 years	
L-24	IIF Morioka Logistics Center	Nippon Access, Inc.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	4.2 years	
L-25	IIF Hiroshima Logistics Center	Muroo Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	10.5 years	
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	Kohnan Shoji Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	6.2 years	
L-27	IIF Izumisano Food Processing and Logistics Center	Nakano Shokai Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	6.7 years	
L-28	IIF Kyotanabe Logistics Center	Takara Butsuryu Inc.	1	Ordinary Lease	Not Disclosed	-	10.0 years	9.4 years	
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	ORIX Auto Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	16.8 years	
L-30	IIF Fukuoka Higashi Logistics Center	Toll Express Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	12.6 years	
L-31	IIF Osaka Konohana Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	36.3 years	8.6 years	
L-32	IIF Kazo Logistics Center	PIP Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	7.6 years	
L-33	IIF Hamura Logistics Center	Coca-Cola Bottlers Japan Inc.	1	Fixed-Term Lease	Not Disclosed	-	8.0 years	6.2 years	
L-34	IIF Fukuoka Hakozaki Logistics Center I	Additional Acquisition	Fukuoka Soko Co., Ltd., etc.	3	Fixed-Term Lease	Not Disclosed	-	4.0 years	2.4 years
L-35	IIF Fukuoka Hakozaki Logistics Center II <sup>(Note9)</sup>	Additional Acquisition	NTT LOGISCO Inc., etc.	5	Fixed-Term Lease	Not Disclosed	-	7.9 years	3.9 years
L-36	IIF Itabashi Logistics Center	Additional Acquisition	Higashi Twenty One Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	8.8 years
L-37	IIF Sendai Taiwa Logistics Center	Miyago Logistics Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	4.4 years	
L-38	IIF Ota Logistics Center	Meitetsu Unyu Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.6 years	
L-39	IIF Osaka Suminoe Logistics Center I	Additional Acquisition	Toshiba Logistics Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.7 years
L-40	IIF Osaka Suminoe Logistics Center II	Additional Acquisition	Toshiba Logistics Corporation	1	Ordinary Lease	Not Disclosed	-	1.0 years	0.1 years
L-41	IIF Morioka Logistics Center II	Miyago Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	3.0 years	1.8 years	
L-42	IIF Sapporo Logistics Center	NEW	Nippon Express Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	5.8 years
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	NEW	Aono Sangyo Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	29.2 years
L-44	IIF Koriyama Logistics Center	NEW	Nichirei Logistics Group Inc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.3 years
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest)	NEW	Kohnan Shoji Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	19.7 years

# Lease Contracts (2) (As of July 31, 2018)

## Manufacturing / R&D, Infrastructure Facilities and Portfolio Total

Property Number	Name of Property	Name of Tenants <sup>(Note1)</sup>	No. of Tenants <sup>(Note2)</sup>	Type of Contract	Annual Rent (JPY MM) <sup>(Note3,4)</sup>	Percentage <sup>(Note5)</sup>	Lease Term <sup>(Note6)</sup>	Lease Term Remaining <sup>(Note7)</sup>
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Taisei Corporation	1	Fixed-Term Lease	276	1.5%	30.0 years	21.7 years
F-2	IIF Yokohama Tsuduki Technology Center	TÜV Rheinland Japan Ltd.	1	Fixed-Term Lease	118	0.7%	22.0 years	12.2 years
F-3	IIF Mitaka Card Center	JCB Co., Ltd.	1	Ordinary Lease	729	4.1%	18.5 years	2.6 years
F-5	IIF Kamata R&D Center	Tokyo KEIKI Inc.	1	Fixed-Term Lease	Not Disclosed	-	14.9 years	7.7 years
F-6	IIF Kawasaki Science Center	Johnson & Johnson K.K. Medical Company	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	10.8 years
F-7	IIF Sagami-hara R&D Center	Micron Memory Japan Inc., etc.	2	Ordinary Lease, etc	Not Disclosed	-	10.0 years	9.3 years
F-8	IIF Yokohama Shinyamashita R&D Center	TRW Automotive Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	9.1 years
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	CxS Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	27.4 years
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	NISHIO RENT ALL Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	49.0 years	46.7 years
F-11	IIF Yokosuka Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	8.1 years
F-12	IIF Shonan Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	8.1 years
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest) <b>NEW</b>	Metal One Corporation	1	Ordinary Lease	Not Disclosed	-	20.0 years	18.7 years
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest) <b>NEW</b>	MITSUIKE CORPORATION	1	Fixed-Term Lease	Not Disclosed	-	50.0 years	49.6 years
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest) <b>NEW</b>	IBJ Leasing	1	(Before the completion of the building) Lease agreement for temporary use of land (After the completion of the building) Fixed-term land lease agreement	Not Disclosed	-	31.1 years	30.9 years
I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	4	Fixed-Term Lease	665	3.7%	12.0 years	5.9 years
I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	1	Fixed-Term Lease	1,888	10.5%	15.4 years	7.4 years
I-3	IIF Zama IT Solution Center	IBM Japan, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	3.0 years
I-4	IIF Shinagawa Data Center	XYMAX Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	3.6 years
I-5	IIF Osaka Toyonaka Data Center	Kanden Properties Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	7.2 years
I-6	IIF Osaka Nanko IT Solution Center	Nomura Research Institute, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.1 years	4.6 years
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	Chemical Logitec Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	49.9 years	45.5 years
I-8	IIF Shinagawa IT Solution Center	Hitachi Systems, Ltd., etc.	5	Ordinary Lease	Not Disclosed	-	1.6 years	1.0 years
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	J Cylinder Service Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	30.1 years	27.4 years
Portfolio Average Lease Term							15.8 years	9.0 years

(Note 1) "Name of Tenants" is listed only main tenant.

(Note 2) "No. of Tenants" is calculated based on the number of lease agreements in each property including Land temporary use Lease.

(Note 3) "Annual Rent" is the monthly rent described the respective lease agreements annualized by multiplying by 12, rounded up to the nearest million.

(Note 4) "Annual Rent" and "Lease Term" are based on lease agreements concluded with tenants as of July 31, 2018.

(Note 5) "Percentage" is the annual rent relating to each tenant as a proportion of the annual rent from all tenants and the figures are rounded up at the second decimal place.

(Note 6) "Lease Term" is calculated based on rent amount of total portfolio and is the weighted average contracted lease term.

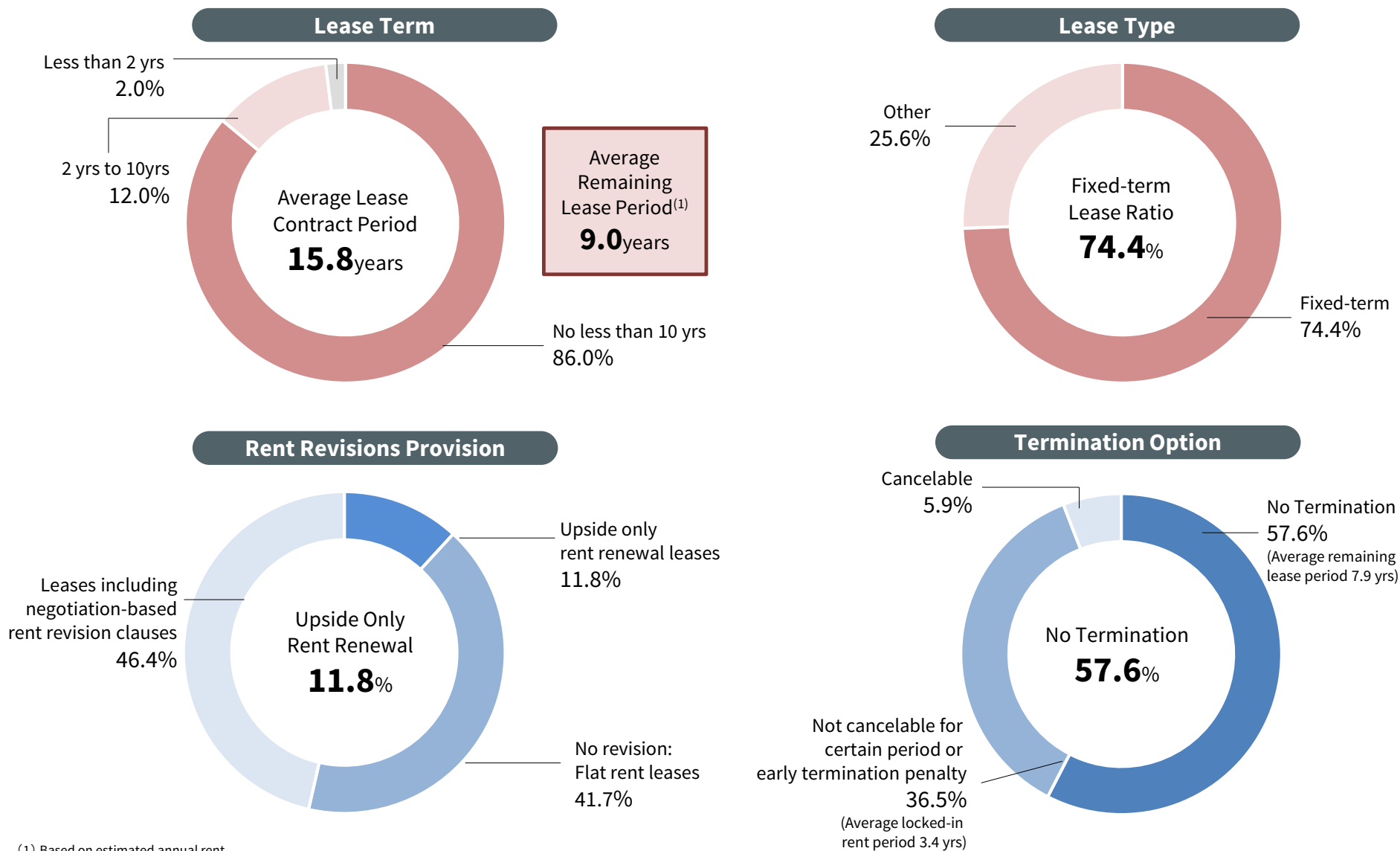
(Note 7) "Lease Term Remaining" is calculated from July 31, 2018. to the expiry date on the lease contract. The lease term remaining is calculated based on a weighted average of the annual rent.

(Note 8) With respect to IIF Narashino Logistics Center II, both the land and the building with leasehold interest are managed in an integrated manner. IIF owns the trust beneficiary interests with respect to the land and the building with leasehold interest.

(Note 9) Figures include IIF Fukuoka Hakozaki LC II(extension building)



## Lease Contracts (3) (As of July 31, 2018)





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# Appraisal Values (1) (As of July 31, 2018)

## Logistics Facilities

Property Number	Name of Property	Book Value (JPY MM)	Unrealized Capital Gain	Appraisal Value as of the End of Period (JPY MM) <sup>(Note1)</sup>				Applied Rate <sup>(Note3)</sup>					
				End of 21st Period			End of 20th Period	Direct Capitalization Method	DCF Method		Period-rarlier Levels		
				Appraisal Value	Period-Over-period	Period-Over-period (%)	Appraisal Value	Capitalization Rate	Discount Rate	Terminal Capitalization Rate	Capitalization Rate by Direct Capitalization Method	Discount Rate by DCF Method	Terminal Capitalization Rate by DCF Method
L-1	IIF Shinonome Logistics Center <sup>(Note 2)</sup>	12,931	+ 3,816	16,748	(212)	(1.3%)	16,960	4.3%	3.9%	4.5%	0.0p	0.0p	0.0p
L-4	IIF Noda Logistics Center	5,425	+ 3,474	8,900	(60)	(0.7%)	8,960	4.5%	4.3%	4.7%	0.0p	0.0p	0.0p
L-5	IIF Shinsuna Logistics Center	5,163	+ 2,126	7,290	+220	+ 3.1%	7,070	4.3%	4.0%	4.4%	(0.1p)	(0.1p)	(0.1p)
L-6	IIF Atsugi Logistics Center	1,558	+ 561	2,120	+10	+ 0.5%	2,110	4.8%	4.5%	5.1%	0.0p	0.0p	0.0p
L-7	IIF Koshigaya Logistics Center	1,805	+ 924	2,730	+30	+ 1.1%	2,700	4.9%	4.6%	5.0%	0.0p	0.0p	0.0p
L-8	IIF Nishinomiya Logistics Center	1,978	+ 1,011	2,990	+10	+ 0.3%	2,980	5.1%	4.9%	5.3%	0.0p	0.0p	0.0p
L-9	IIF Narashino Logistics Center (land with leasehold interest)	1,223	+ 1,466	2,690	+40	+ 1.5%	2,650	-	4.5%	-	-	(0.1p)	-
L-10	IIF Narashino Logistics Center II	4,654	+ 1,805	6,460	(20)	(0.3%)	6,480	4.8%	4.6%	5.0%	0.0p	0.0p	0.0p
L-11	IIF Atsugi Logistics Center II	3,220	+ 739	3,960	+50	+ 1.3%	3,910	4.8%	4.5%	5.1%	0.0p	0.0p	0.0p
L-12	IIF Yokohama Tsuduki Logistics Center	2,311	+ 898	3,210	-	0.0%	3,210	4.6%	4.4%	4.8%	0.0p	0.0p	0.0p
L-13	IIF Saitama Logistics Center	1,457	+ 632	2,090	+10	+ 0.5%	2,080	5.1%	4.8%	5.3%	0.0p	0.0p	0.0p
L-14	IIF Nagoya Logistics Center	1,143	+ 436	1,580	-	0.0%	1,580	5.5%	5.2%	5.8%	0.0p	0.0p	0.0p
L-15	IIF Atsugi Logistics Center III	2,379	+ 680	3,060	+10	+ 0.3%	3,050	5.0%	4.7%	5.2%	0.0p	0.0p	0.0p
L-16	IIF Kawaguchi Logistics Center	2,056	+ 2,323	4,380	+120	+ 2.8%	4,260	4.4%	4.2%	4.5%	(0.1p)	(0.1p)	(0.1p)
L-17	IIF Kobe Logistics Center	5,142	+ 2,417	7,560	+160	+ 2.2%	7,400	4.6%	4.3%	4.7%	(0.1p)	(0.1p)	(0.1p)
L-18	IIF Higashi Osaka Logistics Center	2,507	+ 702	3,210	+80	+ 2.6%	3,130	5.1%	4.8%	5.2%	(0.1p)	0.0p	0.0p
L-19	IIF Kashiwa Logistics Center	1,852	+ 1,037	2,890	+50	+ 1.8%	2,840	4.9%	4.5%	5.0%	(0.1p)	(0.1p)	(0.1p)
L-20	IIF Misato Logistics Center	3,462	+ 1,847	5,310	+110	+ 2.1%	5,200	4.3%	4.1%	4.4%	(0.1p)	(0.1p)	(0.1p)
L-21	IIF Iruma Logistics Center	3,086	+ 1,133	4,220	-	0.0%	4,220	5.0%	4.5%	5.4%	0.0p	0.0p	0.0p
L-22	IIF Tosu Logistics Center	1,513	+ 456	1,970	-	0.0%	1,970	5.1%	4.9%	5.2%	0.0p	0.0p	0.0p
L-23	IIF Inzai Logistics Center	1,029	+ 340	1,370	-	0.0%	1,370	5.4%	5.2%	5.5%	0.0p	0.0p	0.0p
L-24	IIF Morioka Logistics Center	570	+ 669	1,240	-	0.0%	1,240	5.9%	5.7%	6.0%	0.0p	0.0p	0.0p
L-25	IIF Hiroshima Logistics Center	3,390	+ 1,179	4,570	+10	+ 0.2%	4,560	5.2%	5.0%	5.3%	0.0p	0.0p	0.0p
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	4,179	+ 250	4,430	+10	+ 0.2%	4,420	-	4.6%	-	-	(0.1p)	-
L-27	IIF Izumisano Food Processing and Logistics Center	954	+ 135	1,090	-	0.0%	1,090	4.9%	4.5%	5.0%	0.0p	0.0p	0.0p
L-28	IIF Kyotanabe Logistics Center	5,757	+ 1,622	7,380	+150	+ 2.1%	7,230	4.7%	4.4%	4.8%	(0.1p)	(0.1p)	(0.1p)
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	914	+ 66	981	+4	+ 0.4%	977	-	5.6%	-	-	0.0p	-
L-30	IIF Fukuoka Higashi Logistics Center	1,927	+ 122	2,050	-	0.0%	2,050	5.0%	4.6%	5.1%	0.0p	0.0p	0.0p
L-31	IIF Osaka Konohana Logistics Center	8,697	+ 862	9,560	+220	+ 2.4%	9,340	4.1%	3.9%	4.3%	(0.1p)	(0.1p)	(0.1p)
L-32	IIF Kazo Logistics Center	2,613	+ 146	2,760	+30	+ 1.1%	2,730	4.8%	4.5%	4.9%	0.0p	0.0p	0.0p
L-33	IIF Hamura Logistics Center	921	(13)	908	+21	+ 2.4%	887	4.6%	Until 3rd 4.5% From 4th to 6th 4.6% After 7th 4.7%	4.8%	(0.1p)	Until 3rd (0.1p) From 5th to 6th (0.1p)	(0.1p)
L-34	IIF Fukuoka Hakozaki Logistics Center I <sup>(Note3)</sup>	5,195	+ 14	5,210	(70)	(1.3%)	5,280	4.6%	4.2%	4.6%	0.0p	0.0p	0.0p
L-35	IIF Fukuoka Hakozaki Logistics Center II <sup>(Note3)</sup>	10,298	+ 601	10,900	-	0.0%	10,900	4.6%	4.2%	4.6%	0.0p	0.0p	0.0p
L-36	IIF Itabashi Logistics Center <sup>(note3)</sup>	1,737	+ 192	1,930	+40	+ 2.1%	1,890	4.3%	3.8%	4.3%	(0.1p)	(0.1p)	(0.1p)
L-37	IIF Sendai Taiwa Logistics Center	1,597	+ 72	1,670	+20	+ 1.2%	1,650	5.4%	5.1%	5.7%	0.0p	0.0p	0.0p

(Note 1) "Appraisal Value as of the End of Period", "Capitalization Rate (Direct Capitalization Method)" and "Terminal Capitalization Rate (DCF Method)" refer to figures provided in the respective appraisal reports (or research report) as of Jul. 31, 2018

(Note 2) "Appraisal Value as of the End of Period" for IIF Shinonome Logistics Center applies only to 53% co-ownership interests of the trust beneficiary interests.

(Note 3) Period-Over-period of "Appraisal Value" and applicable yields, including IIF Hakozaki Logistics Center II extension building at the end of the 21st fiscal period, is the difference between appraisal value and the applicable yields at the time of acquisition of remaining co-ownership interests and 21<sup>st</sup> period.

# Appraisal Values (2) (As of July 31, 2018)

## Logistics Facilities (Cont'd), Manufacturing / R&D, Infrastructure facilities and Portfolio Total

Property Number	Name of Property	Book Value (JPY MM)	Unrealized Capital Gain	Appraisal Value as of the End of Period (JPY MM) <sup>(Note1)</sup>				Applied Rate <sup>(Note1)</sup>					
				End of 21st Period			End of 20th Period	Direct Capitalization Method	DCF Method		Period-rarlier Levels		
				Appraisal Value	Period-Over-period	Period-Over-period (%)	Appraisal Value	Capitalization Rate	Discount Rate	Terminal Capitalization Rate	Capitalization Rate by Direct Capitalization Method	Discount Rate by DCF Method	Terminal Capitalization Rate by DCF Method
L-38	IIF Ota Logistics Center	1,028	+ 131	1,160	-	0.0%	1,160	5.5%	Until 8th 5.4% After 9th 5.6%	5.7%	0.0p	-	0.0p
L-39	IIF Osaka Suminoe Logistics Center <sup>I (Note2)</sup>	12,146	+ 1,753	13,900	-	0.0%	13,900	4.3%	4.4%	4.5%	0.0p	0.0p	0.0p
L-40	IIF Osaka Suminoe Logistics Center <sup>II (Note2)</sup>	2,565	+ 164	2,730	-	0.0%	2,730	4.4%	4.5%	4.6%	0.0p	0.0p	0.0p
L-41	IIF Morioka Logistics Center <sup>II (Note2)</sup>	1,383	+ 186	1,570	+10	+ 0.6%	1,560	5.9%	5.5%	5.9%	0.0p	0.0p	0.0p
L-42	IIF Sapporo Logistics Center <sup>(Note2)</sup>	2,519	+ 90	2,610	+10	+ 0.4%	2,600	5.0%	4.8%	5.2%	0.0p	0.0p	0.0p
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest) <sup>(Note2)</sup>	1,188	+ 21	1,210	-	0.0%	1,210	4.5%	4.5%	-	0.0p	0.0p	-
L-44	IIF Koriyama Logistics Center <sup>(Note2)</sup>	2,606	+ 563	3,170	+10	+ 0.3%	3,160	5.6%	Until 7th 5.6% After 8th 5.7%	5.8%	0.0p	8th (0.1p)	0.0p
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest) <sup>(Note2)</sup>	2,047	+ 82	2,130	+30	+ 1.4%	2,100	-	Until 14th 4.5% After 15th 4.6%	4.7%	-	15th (0.1p)	0.0p
Logistics Facilities Total		140,145	+ 37,751	177,897	+1,103	+ 0.6%	176,794						
F-1	IIF Totsuka Technology Center (land with leasehold interest)	4,553	+ 846	5,400	-	0.0%	5,400	-	5.0%	-	-	0.0p	-
F-2	IIF Yokohama Tsuduki Technology Center	1,195	+ 144	1,340	(10)	(0.7%)	1,350	5.6%	5.4%	5.8%	0.0p	0.0p	0.0p
F-3	IIF Mitaka Card Center	9,281	+ 818	10,100	-	0.0%	10,100	5.5%	5.3%	5.7%	0.0p	0.0p	0.0p
F-5	IIF Kamata R&D Center	7,459	+ 940	8,400	-	0.0%	8,400	5.4%	5.1%	5.6%	0.0p	0.0p	0.0p
F-6	IIF Kawasaki Science Center	2,063	+ 886	2,950	-	0.0%	2,950	5.3%	5.1%	5.5%	0.0p	0.0p	0.0p
F-7	IIF Sagamiara R&D Center	3,293	+ 666	3,960	-	0.0%	3,960	5.8%	5.5%	5.9%	0.0p	0.0p	0.0p
F-8	IIF Yokohama Shinyamashita R&D Center	3,892	+ 337	4,230	+10	+ 0.2%	4,220	4.8%	4.4%	4.9%	0.0p	0.0p	0.0p
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	1,572	+ 187	1,760	(10)	(0.6%)	1,770	-	5.1%	-	-	0.0p	-
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	1,345	+ 314	1,660	(10)	(0.6%)	1,670	4.8%	4.0%	5.1%	0.0p	0.0p	0.0p
F-11	IIF Yokosuka Technology Center	4,191	+ 278	4,470	+20	+ 0.4%	4,450	5.6%	5.3%	5.7%	0.0p	0.0p	0.0p
F-12	IIF Shonan Technology Center	1,306	+ 33	1,340	+20	+ 1.5%	1,320	5.2%	4.9%	5.3%	0.0p	0.0p	0.0p
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest) <sup>(Note2)</sup>	1,693	+ 136	1,830	+10	+ 0.5%	1,820	-	5.7%	-	-	0.0p	-
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest) <sup>(Note2)</sup>	2,413	+ 166	2,580	-	0.0%	2,580	4.6%	4.6%	-	0.0p	0.0p	-
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest) <sup>(Note2)</sup>	5,005	+ 264	5,270	+90	+ 1.7%	5,180	5.0%	5.0%	-	0.0p	0.0p	-
Manufacturing and R&D Facilities Total		49,267	+ 6,022	55,290	+120	+ 0.2%	55,170						
I-1	IIF Kobe District Heating and Cooling Center	16,289	(1,589)	14,700	+100	+ 0.7%	14,600	4.4%	3.6%	4.6%	0.0p	0.0p	0.0p
I-2	IIF Haneda Airport Maintenance Ceter	38,457	+ 2,742	41,200	-	0.0%	41,200	4.4%	3.5%	4.8%	0.0p	0.0p	0.0p
I-3	IIF Zama IT Solution Center	5,109	+ 420	5,530	-	0.0%	5,530	7.2%	5.8%	7.8%	0.0p	0.0p	0.0p
I-4	IIF Shinagawa Data Center	5,241	+ 1,598	6,840	(50)	(0.7%)	6,890	4.7%	4.8%	5.2%	0.0p	0.0p	0.0p
I-5	IIF Osaka Toyonaka Data Center	5,593	+ 426	6,020	(10)	(0.2%)	6,030	6.2%	4.9%	5.4%	0.0p	0.0p	0.0p
I-6	IIF Osaka Nanko IT Solution Center	1,222	+ 1,187	2,410	+10	+ 0.4%	2,400	6.1%	5.7%	6.8%	0.0p	0.0p	0.0p
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	1,998	+ 241	2,240	-	0.0%	2,240	5.6%	4.7%	6.3%	0.0p	0.0p	0.0p
I-8	IIF Shinagawa IT Solution Center	7,883	(1,143)	6,740	(850)	(11.2%)	7,590	4.5%	4.1%	4.6%	(0.1p)	(0.1p)	(0.1p)
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	729	+ 23	753	+1	+ 0.1%	752	-	4.9%	-	-	0.0p	-
Infrastructure Facilities Total		82,525	+ 3,907	86,433	(799)	(0.9%)	87,232						
Portfolio Total		271,937	+ 47,682	319,620	+424	+ 0.1%	319,196						

(Note 1) "Appraisal Value as of the End of Period", "Capitalization Rate (Direct Capitalization Method)" and "Terminal Capitalization Rate (DCF Method)" refer to figures provided in the respective appraisal reports (or research report) as of Jul. 31, 2018.

(Note 2) Period-Over-period of "Appraisal Value" and applicable yields at the end of the 21st fiscal period is the difference between appraisal value and the applicable yields at the time of acquisition or acquisition of remaining co-ownership interests and 21<sup>st</sup> period.



# Performance by Property(1)

Item	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II )		L11 (Atsugi II )		L12 (Yokohama Tsuzuki)		(JPY mn)
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	
Days																					
Rent	397	397			179	179			75	75											
Others	2	2			-	-			0	0											
Total rental business income	400	400			179	179			75	75											
Taxes and public dues	30	30	Not Disclosed	Not Disclosed	16	16	Not Disclosed	Not Disclosed	3	3	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Management expenses	0	0			0	0			0	0											
Repair expenses	0	0			-	-			1	0											
Insurance cost and trust fee	0	0			0	0			1	0											
Others	0	0			0	1			0	0											
Total rental business expenses	31	33			17	18			7	6											
NOI	368	366	207	206	161	160	53	53	68	69	82	81	38	38	174	174	112	113	78	74	
Depreciation and amortization	43	43	48	49	11	11	32	32	25	26	20	20	-	-	7	7	19	19	9	8	
Rental business profit	325	323	159	157	149	148	20	21	42	43	61	61	38	38	167	166	93	94	68	66	
Total deposits (Ending balance)	1,299	1,219	Not Disclosed	Not Disclosed	123	84	Not Disclosed	Not Disclosed	37	37	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	

Item	L13 (Saitama)		L14 (Nagoya)		L15 (Atsugilll)		L16 (Kawaguchi)		L17 (Kobe)		L18 (Higashi Osaka)		L19 (Kashiwa)		L20 (Misato)		L21 (Iruma)		L22 (Tosu)	
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days
Days																				
Rent	66	66																		
Others	0	0																		
Total rental business income	66	66																		
Taxes and public dues	3	3	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Management expenses	0	0																		
Repair expenses	0	0																		
Insurance cost and trust fee	1	0																		
Others	1	1																		
Total rental business expenses	6	4																		
NOI	60	62	42	42	81	75	105	106	179	179	87	87	49	70	116	116	101	106	53	51
Depreciation and amortization	10	11	6	6	10	10	9	10	37	20	9	10	9	9	17	16	23	22	9	8
Rental business profit	49	50	36	36	71	64	95	95	142	158	77	77	39	60	99	100	78	83	43	42
Total deposits (Ending balance)	33	33	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L23 (Inzai)		L24 (Morioka)		L25 (Hiroshima)		L26 (Izumiotstu)		L27 (Izumisano)		L28 (Kyotanabe)		L29 (Fukuoka Koga)		L30 (Fukuoka Higashi)		L31 (Osaka Konohana)		L32 (Kazo)	
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days
Days																				
Rent																				
Others																				
Total rental business income																				
Taxes and public dues	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Management expenses																				
Repair expenses																				
Insurance cost and trust fee																				
Others																				
Total rental business expenses																				
NOI	37	37	37	37	120	120	111	111	29	29	175	174	27	27	51	51	225	221	66	67
Depreciation and amortization	5	5	5	5	25	25	0	0	7	8	32	32	-	-	4	4	32	32	8	8
Rental business profit	31	31	32	32	94	95	111	111	22	20	143	142	27	27	46	46	192	189	57	58
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

# Performance by Property(2)

(JPY mn)

Item	L33 (Hamura)		L34 (Fukuoka Hakozaiki I )		L35 (Fukuoka Hakozaiki II )		L36 (Itabashi)		L37 (Sendai Taiwa)		L38 (Ota)		L39 (Osaka Suminoe I )		L40 (Osaka Suminoe II )		L41 (Morioka II )		L42 (Sapporo)	
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 0days	22nd 146days
Days																				
Rent																				
Others																				
Total rental business income																				
Taxes and public dues	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not	Not		Not
Management expenses	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed	Disclosed		Disclosed
Repair expenses																				
Insurance cost and trust fee																				
Others																				
Total rental business expenses																				
NOI	21	21	78	128	135	253	24	37	50	50	35	34	212	258	49	60	43	43	-	60
Depreciation and amortization	3	3	15	23	20	44	3	5	8	8	4	4	41	51	6	7	5	5	-	6
Rental business profit	17	17	63	105	115	208	20	31	42	41	31	30	171	206	43	52	38	38	-	54
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed

Item	L43 (Hitachinaka Port)		L44 (Koriyama)		L45 (Kobe-nishi)		F1 (Totsuka TC)		F2 (Yokohama Tsuzuki)		F3 (Mitaka)		F5 (Kamata)		F6 (Kawasaki)		F7 (Sagamihara)		F8 (Shinyamashita)	
	21st 0days	22nd 145days	21st 0days	22nd 145days	21st 0days	22nd 125days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days
Days																				
Rent	-		-		-		154	154	59	59	364	364								
Others	-		-		-		0	0	-	-	0	0								
Total rental business income	-		-		-		154	154	59	59	364	364								
Taxes and public dues		Not		Not		Not	16	16	8	8	47	47								
Management expenses		Disclosed		Disclosed		Disclosed	-	-	6	6	3	3								
Repair expenses							-	-	2	3	3	6								
Insurance cost and trust fee							0	0	0	0	1	0								
Others							0	0	0	0	0	1								
Total rental business expenses	-		-		-		17	17	17	19	56	59								
NOI	-	23	-	80	-	31	137	137	41	40	308	305	229	235	82	82	136	144	102	103
Depreciation and amortization	-	-	-	18	-	-	-	-	5	5	45	48	28	29	23	23	14	14	19	19
Rental business profit	-	23	-	61	-	31	137	137	35	34	262	257	200	205	58	58	122	129	82	83
Total deposits (Ending balance)	-	Not Disclosed	-	Not Disclosed	-	Not Disclosed	276	276	92	92	182	182	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed



# Performance by Property(3)

(JPY mn)

Item	F9 (Kakegawa)		F10 (Urayasu)		F11 (Yokosuka)		F12 (Shonan)		F13 (Hiroshima)		F14 (Totsuka MC)		F15 (Atsugi)		I1 (Kobe)		I2 (Haneda)		I3 (Zama)	
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 0days	22nd 146days	21st 0days	22nd 146days	21st 0days	22nd 96days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days
Days																				
Rent									-	-	-	-	-	-	332	332	1,406	1,413		
Others															0	0	15	15		
Total rental business income									-	-	-	-	-	-	332	332	1,421	1,428		
Taxes and public dues	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed		Not Disclosed		Not Disclosed		Not Disclosed	11	11	85	82	Not Disclosed	Not Disclosed
Management expenses															0	0	0	0		
Repair expenses															6	9	-	-		
Insurance cost and trust fee															1	1	5	4		
Others															1	1	377	387		
Total rental business expenses									-	-	-	-	-	-	20	23	469	475		
NOI	43	42	37	37	158	147	48	44	-	46	-	52	-	71	311	309	952	952	201	201
Depreciation and amortization	-	-	-	-	11	12	3	3	-	-	-	-	-	-	131	132	243	244	35	35
Rental business profit	43	42	37	37	146	134	45	41	-	46	-	52	-	71	179	176	708	708	165	165
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed	-	Not Disclosed	-	Not Disclosed	2,159	2,159	974	974	Not Disclosed	Not Disclosed

Item	I4 (Shinagawa)		I5 (Osaka Toyonaka)		I6 (Osaka Nanko)		I7 (Nagoya Port)		I8 (Shinagawa ITSC)		I9 (Higashimatsuyama)		21st (Actual)	22nd (Actual)
	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days	21st 184days	22nd 181days		
Days														
Rent													8,588	9,239
Others													387	446
Total rental business income													8,976	9,686
Taxes and public dues	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	695	746
Management expenses													154	166
Repair expenses													79	97
Insurance cost and trust fee													39	38
Others													744	754
Total rental business expenses													1,713	1,803
NOI	177	181	195	191	70	71	62	62	194	202	18	18	7,262	7,882
Depreciation and amortization	33	35	28	28	9	9	-	-	37	38	-	-	1,263	1,331
Rental business profit	143	145	166	162	60	62	62	62	157	164	18	18	5,999	6,550
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	10,235	10,807

# Debt Stability (1) (As of July 31, 2018)

## Key Indices<sup>(Note)</sup>

Average borrowing period

**9.3** years

Fixed debt ratio

**100.0**%

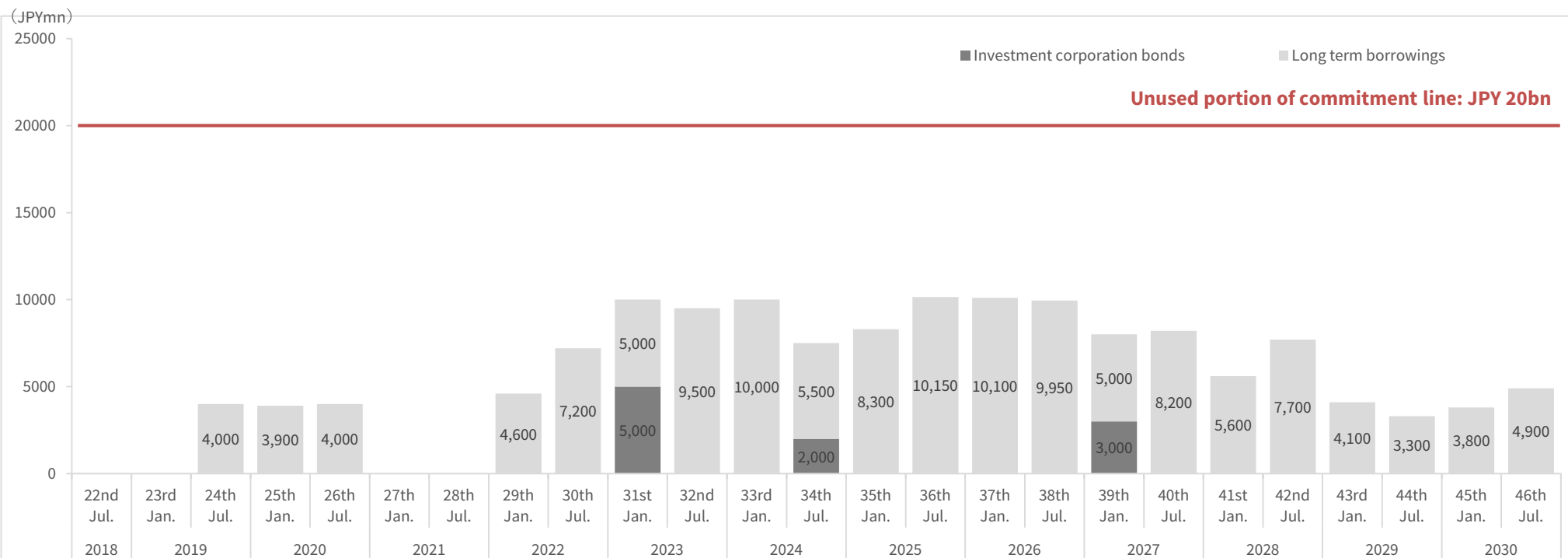
Weighted average interest rate

**0.95**%

Issuer credit rating (JCR)

**AA**  
(Stable)

## Diversification of Debt Maturities



(Note) Outstanding balance as of Jul. 31, 2018 is described

# Debt Stability (2) (As of July 31, 2018)

## Lender Status

	Classification	Outstanding Balance (JPY MM)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
		Breakdown	Total						
Long-term borrowing	MUFG Bank, Ltd.(Note 6,7,8)	1,085	1,500	Mar. 30, 2012	1.32375	Mar. 29, 2019	Fixed (Note 4)	7 years	0.7 years
	Sumitomo Mitsui Trust Bank, Limited	415			1.90500	Mar. 30, 2022	Fixed (Note 4)	10 years	3.7 years
	MUFG Bank, Ltd.(Note 7)	1,000	1,000		1.56100	Mar. 31, 2020	Fixed (Note 4)	8 years	1.7 years
	Mizuho Bank, Ltd.	1,500	1,500		2.22000	Mar. 29, 2024	Fixed	12 years	5.7 years
	Development Bank of Japan Inc.	1,000	1,000		1.90000	Mar. 29, 2022	Fixed	10 years	3.7 years
	Sumitomo Mitsui Banking Corporation	500	500		1.90500	Mar. 31, 2022	Fixed (Note 4)	10 years	3.7 years
	Sumitomo Mitsui Banking Corporation(Note 6)	1,500	1,500		1.32375	Mar. 29, 2019	Fixed (Note 4)	7 years	0.7 years
	Nippon Life Insurance Company	1,000	1,000		1.42000	Jun. 30, 2020	Fixed	8 years	1.9 years
	MUFG Bank, Ltd.(Note 6,7)	583	583		1.17500	Jun. 28, 2019	Fixed (Note 4)	7 years	0.9 years
	Sumitomo Mitsui Banking Corporation(Note 6)	417	417		1.17500	Jun. 28, 2019	Fixed (Note 4)	7 years	0.9 years
	MUFG Bank, Ltd.(Note 7)	2,274	2,274	Sep. 28, 2012	1.15750	Sep. 30, 2019	Fixed (Note 4)	7 years	1.2 years
	Sumitomo Mitsui Banking Corporation	1,626	1,626		1.15750	Sep. 30, 2019	Fixed (Note 4)	7 years	1.2 years
	Development Bank of Japan Inc.	1,000	1,000	Feb. 6, 2013	1.83000	Feb. 5, 2025	Fixed	12 years	6.5 years
	MUFG Bank, Ltd.(Note 7,8)	2,534	3,500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.5 years
	Sumitomo Mitsui Trust Bank, Limited	966			1.29000	Feb. 6, 2023	Fixed	10 years	4.5 years
	MUFG Bank, Ltd.(Note 7)	1,000	1,000		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.5 years
	Sumitomo Mitsui Banking Corporation	500	500		1.48980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.5 years
	Mizuho Bank, Ltd.	1,000	1,000		1.55000	Feb. 6, 2023	Fixed	10 years	4.5 years
	Nippon Life Insurance Company	500	500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.5 years
	Shinsei Bank, Ltd.	500	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	3.5 years
	MUFG Bank, Ltd.(Note 7,8)	362	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	3.5 years
	Sumitomo Mitsui Trust Bank, Limited	138			1.75000	Jun. 28, 2024	Fixed	11 years	5.9 years
	Sumitomo Mitsui Banking Corporation	500	500	Jun. 28, 2013	1.68475	Jun. 30, 2023	Fixed (Note 4)	10 years	4.9 years
	Nippon Life Insurance Company	2,000	2,000		1.64650	Jun. 30, 2022	Fixed (Note 4)	9 years	3.9 years
	Sumitomo Mitsui Trust Bank, Limited	2,500	2,500		1.24050	Jun. 30, 2020	Fixed (Note 4)	7 years	1.9 years
	Mizuho Bank, Ltd.	1,500	1,500		1.40200	Oct. 18, 2023	Fixed (Note 4)	10 years	5.2 years
	Nomura Trust and Banking Co., Ltd.	500			1.38025	Dec. 29, 2023	Fixed (Note 4)	10 years	5.4 years
	Resona Bank, Ltd.	500	1,500		1.31000	Aug. 6, 2024	Fixed	10.5 years	6.0 years
	THE YAMAGUCHI BANK, Ltd.	500			1.24100	Feb. 6, 2024	Fixed (Note 4)	10 years	5.5 years
	MUFG Bank, Ltd.(Note 7,8)	7,500	7,500		1.14000	Aug. 4, 2023	Fixed	9.5 years	5.0 years
	Sumitomo Mitsui Banking Corporation	2,000	2,000		1.03150	Aug. 5, 2022	Fixed (Note 4)	8.5 years	4.0 years
	MUFG Bank, Ltd.(Note 7)	700	700	Feb. 6, 2014	0.92790	Feb. 4, 2022	Fixed (Note 4)	8 years	3.5 years
	Sumitomo Mitsui Banking Corporation	900	900		1.67000	Mar. 13, 2026	Fixed	12 years	7.6 years
	THE YAMAGUCHI BANK, Ltd.	500	500						
	THE NISHI-NIPPON CHITIBANK, LTD.	500	500						
	MUFG Bank, Ltd.(Note 7,8)	868	1,200						
	Sumitomo Mitsui Trust Bank, Limited	331							
	Development Bank of Japan Inc.	1,000	1,000						

	Classification	Outstanding Balance (JPY MM)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
		Breakdown	Total						
Long-term borrowing	MUFG Bank, Ltd.(Note 7,8)	724		Mar. 13, 2014	1.68675	Mar. 13, 2026	Fixed (Note 4)	12 years	7.6 years
	Sumitomo Mitsui Trust Bank, Limited	276	1,000						
	MUFG Bank, Ltd.(Note 7,8)	1,158	1,600		1.27175	Mar. 13, 2024	Fixed (Note 4)	10 years	5.6 years
	Sumitomo Mitsui Trust Bank, Limited	441							
	MUFG Bank, Ltd.(Note 7)	1,350	1,350		0.98000	Mar. 14, 2025	Fixed	10 years	6.6 years
	Shinsei Bank, Ltd.	850	850	Mar. 16, 2015	1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	6.6 years
	Mizuho Trust & Banking Co., Ltd.	850	850		1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	6.6 years
	MUFG Bank, Ltd.(Note 7,8)	2,570							
	Sumitomo Mitsui Trust Bank, Limited	979	3,550		0.92990	Sep. 13, 2024	Fixed (Note 4)	9.5 years	6.1 years
	The Chugoku Bank, Limited.	700	700		0.66090	Sep. 15, 2022	Fixed (Note 4)	7.5 years	4.1 years
	Development Bank of Japan Inc.	1,000	1,000	Mar. 31, 2015	1.26000	Mar. 31, 2027	Fixed	12 years	8.7 years
	Meiji Yasuda Life Insurance Company	850	850		1.19000	Mar. 31, 2026	Fixed	11 years	7.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,500	1,500		0.98000	Mar. 31, 2025	Fixed	10 years	6.7 years
	MUFG Bank, Ltd.(Note 7,8)	832	1,150		0.91900	Sep. 30, 2024	Fixed (Note 4)	9.5 years	6.2 years
	Sumitomo Mitsui Trust Bank, Limited	317							
	Mizuho Bank, Ltd.	800	800	Apr. 15, 2016	0.54500	Mar. 31, 2026	Fixed (Note 4)	10 years	7.7 years
	The Bank of Fukuoka, LTD.	800	800		0.50130	Mar. 31, 2026	Fixed	10 years	7.7 years
	MUFG Bank, Ltd.(Note 7)	2,000	2,000	Aug. 31, 2016	0.44000	Aug. 31, 2026	Fixed	10 years	8.1 years
	MUFG Bank, Ltd.(Note 7)	1,600	1,600	Feb. 17, 2017	0.48500	Aug. 15, 2025	Fixed	8.5 years	7.0 years
	MUFG Bank, Ltd.(Note 7,8)	3,255	4,500	Mar. 6, 2017	0.62977	Mar. 6, 2026	Fixed	9 years	7.6 years
	Sumitomo Mitsui Trust Bank, Limited	1,244							
	MUFG Bank, Ltd.(Note 7,8)	2,170	3,000		0.67606	Sep. 4, 2026	Fixed	9.5 years	8.1 years
	Sumitomo Mitsui Trust Bank, Limited	829							
	Sumitomo Mitsui Trust Bank, Limited		1,500		0.49750	Mar. 6, 2025	Fixed	8 years	6.6 years
	MUFG Bank, Ltd.(Note 7,8)	2,099	2,900	Mar. 17, 2017	0.60233	Sep. 17, 2025	Fixed	8.5 years	7.1 years
	Sumitomo Mitsui Trust Bank, Limited	800							
	MUFG Bank, Ltd.(Note 7)	1,000	1,000		0.53000	Mar. 17, 2026	Fixed	9 years	7.6 years
	Development Bank of Japan Inc.	1,000	1,000		0.86600	Mar. 16, 2029	Fixed	12 years	10.6 years
	Sumitomo Mitsui Banking Corporation	1,500	1,500		0.50500	Mar. 17, 2025	Fixed	8 years	6.6 years
	Mizuho Bank, Ltd.	1,000	1,000		0.63300	Mar. 17, 2027	Fixed	10 years	8.6 years
	THE NISHI-NIPPON CHITIBANK, LTD.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	8.6 years
	Mizuho Trust & Banking Co., Ltd.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	8.6 years
	The Bank of Fukuoka, LTD.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	8.6 years
	The Norinchukin Bank	1,000	1,000		0.50500	Mar. 17, 2025	Fixed	8 years	6.6 years

(Note 1) Outstanding balance as of Jul. 31, 2018 is described

(Note 2) The amounts are rounded down to the nearest million yen

(Note 3) The applicable rate is based on the interest rate as Sep. 20, 2018 .

(Note 4) IIF signed an interest rate swap contract to fix the interest rate.

(Note 5) The remaining term for the existing borrowing is calculated with the base date as of Jul. 31, 2018. The average is calculated by weighting the remaining term of each borrowing according to the borrowing amount

(Note 6) Long term borrowing includes a current portion of long term borrowings

(Note 7) Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its company name to MUFG Bank, Ltd. on April 1, 2018.

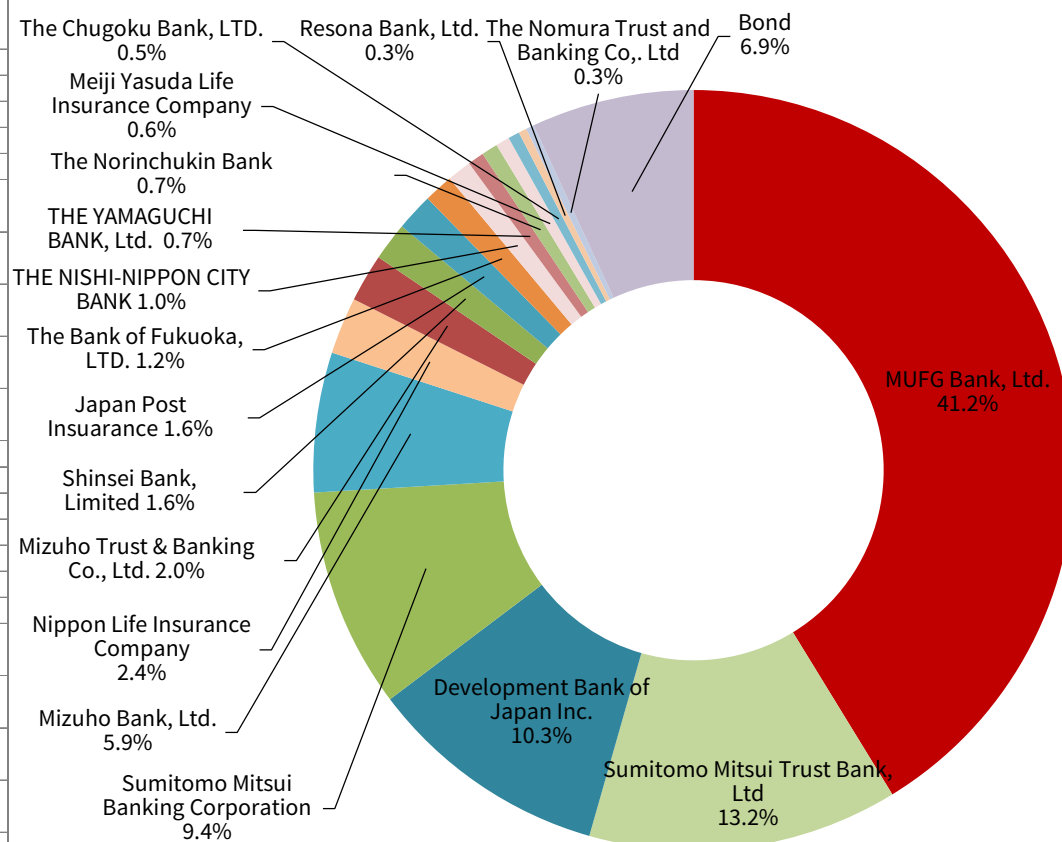
(Note 8) As corporate loan business, etc. was transferred to MUFG Bank, Ltd. on April 16, 2018 by the company split method, MUFG Bank, Ltd. was took over the position as a lender of the borrowings pertaining to the Mitsubishi UFJ Trust and Banking Corporation.



# Debt Stability (3) (As of July 31, 2018)

	Classification	Outstanding Balance (JPY MM)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
	Lender	Breakdown	Total						
Long-term borrowing	MUFG Bank, Ltd.(Note7,8)	4,054	5,600	Mar. 31, 2017	0.57171	Sep. 30, 2025	Fixed	8.5 years	7.2 years
	Sumitomo Mitsui Trust Bank, Limited	1,545			0.65500	Mar. 31, 2027	Fixed	10 years	8.7 years
	MUFG Bank, Ltd.(Note7)	1,000	1,000		0.48500	Mar. 31, 2025	Fixed	8 years	6.7 years
	Sumitomo Mitsui Banking Corporation	600	600		0.65500	Mar. 31, 2027	Fixed	10 years	8.7 years
	Shinsei Bank, Ltd.	1,000	1,000		0.83800	Mar. 30, 2029	Fixed	12 years	10.7 years
	Development Bank of Japan Inc.	1,300	1,300		0.63500	Mar. 31, 2027	Fixed	10 years	8.7 years
	Mizuho Bank, Ltd.	1,200	1,200	Sep. 29, 2017	0.34451	Sep. 30, 2022	Fixed	5 years	4.2 years
	MUFG Bank, Ltd.(Note7,8)	2,791	3,800		0.67599	Sep. 30, 2027	Fixed	10 years	9.2 years
	Sumitomo Mitsui Trust Bank, Limited	1,009			0.86109	Sep. 30, 2029	Fixed	12 years	11.2 years
	MUFG Bank, Ltd.(Note7,8)	2,938	4,000		0.48077	Aug. 1, 2024	Fixed	6.5 years	6.0 years
	Sumitomo Mitsui Trust Bank, Limited	1,062			0.88100	Feb. 1, 2030	Fixed	12 years	11.5 years
	MUFG Bank, Ltd.(Note7,8)	2,791	3,800		0.67900	Mar. 31, 2027	Fixed	10 years	9.5 years
	Sumitomo Mitsui Trust Bank, Limited	1,009		Feb. 1, 2018	0.70100	Aug. 31, 2028	Fixed	10.5 years	10.1 years
	MUFG Bank, Ltd.(Note7,8)	2,099	2,900		0.85000	Feb. 28, 2030	Fixed	12 years	11.6 years
	Sumitomo Mitsui Trust Bank, Limited	800			0.69600	Sep. 7, 2028	Fixed	10.5 years	10.1 years
	JAPAN POST INSURANCE Co., Ltd.	2,300	2,400		0.59800	Sep. 7, 2027	Fixed	9.5 years	9.1 years
	Sumitomo Mitsui Trust Bank, Limited	100			0.64600	Mar. 7, 2028	Fixed	10 years	9.6 years
	Mizuho Bank, Ltd.	700	700		0.64600	Mar. 7, 2028	Fixed	10 years	9.6 years
	Development Bank of Japan Inc.	2,500	2,500	Feb. 27, 2017	0.34085	Sep. 9, 2021	Fixed	3.5 years	3.1 years
	Development Bank of Japan Inc.	2,500	2,500		0.70243	Mar. 9, 2028	Fixed	10 years	9.6 years
	Development Bank of Japan Inc.	400	400		0.80315	Mar. 9, 2029	Fixed	11 years	10.6 years
	Sumitomo Mitsui Banking Corporation	400	400		0.33529	Sep. 30, 2021	Fixed	3.5 years	3.2 years
	Mizuho Bank, Ltd.	400	400		0.63050	Sep. 30, 2027	Fixed	9.5 years	9.2 years
	Mizuho Trust & Banking Co., Ltd.	1,100	1,100		0.67500	Sep. 29, 2028	Fixed	10.5 years	10.2 years
	MUFG Bank, Ltd.(Note7,8)	1,808	2,500	Mar. 9, 2018	0.29800	Sep. 30, 2021	Fixed	3.5 years	3.2 years
	Sumitomo Mitsui Trust Bank, Limited	692			0.57800	Sep. 30, 2027	Fixed	9.5 years	9.2 years
	MUFG Bank, Ltd.(Note7,8)	3,618	5,000		0.62500	Mar. 31, 2028	Fixed	10 years	9.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,382			1.40000	Dec. 27, 2022	Fixed	10 years	4.4 years
	MUFG Bank, Ltd.(Note7,8)	724	1,000		0.89000	Jun. 26, 2024	Fixed	10 years	5.9 years
	Sumitomo Mitsui Trust Bank, Limited	276			0.40000	Dec. 25, 2026	Fixed	10 years	8.4 years
	MUFG Bank, Ltd.(Note7,8)	796	1,100	Mar. 30, 2018					
	Sumitomo Mitsui Trust Bank, Limited	303							
	MUFG Bank, Ltd.(Note7,8)	434	600						
	Sumitomo Mitsui Trust Bank, Limited	165							
	Development Bank of Japan Inc.	1,200	1,200						
	Sumitomo Mitsui Banking Corporation	1,000	1,000						
Investment corporation bonds	Sumitomo Mitsui Banking Corporation	600	600						
	Mizuho Bank, Ltd.	500	500						
	Second series unsecured investment corporation bonds	5,000	5,000						
	Third series unsecured investment corporation bonds	2,000	2,000						
	Fourth series unsecured investment corporation bonds	3,000	3,000						
Total / Average		144,800	144,800		0.95			9.3 years	6.5 years

## Breakdown of Lender Formation



(Note 1) Outstanding balance as of Jul. 31, 2018 is described

(Note 2) The amounts are rounded down to the nearest million yen

(Note 3) The applicable rate is based on the interest rate as Sep. 20, 2018 .

(Note 4) IIF signed an interest rate swap contract to fix the interest rate.

(Note 5) The remaining term for the existing borrowing is calculated with the base date as of Jul. 31, 2018. The average is

calculated by weighting the remaining term of each borrowing according to the borrowing amount

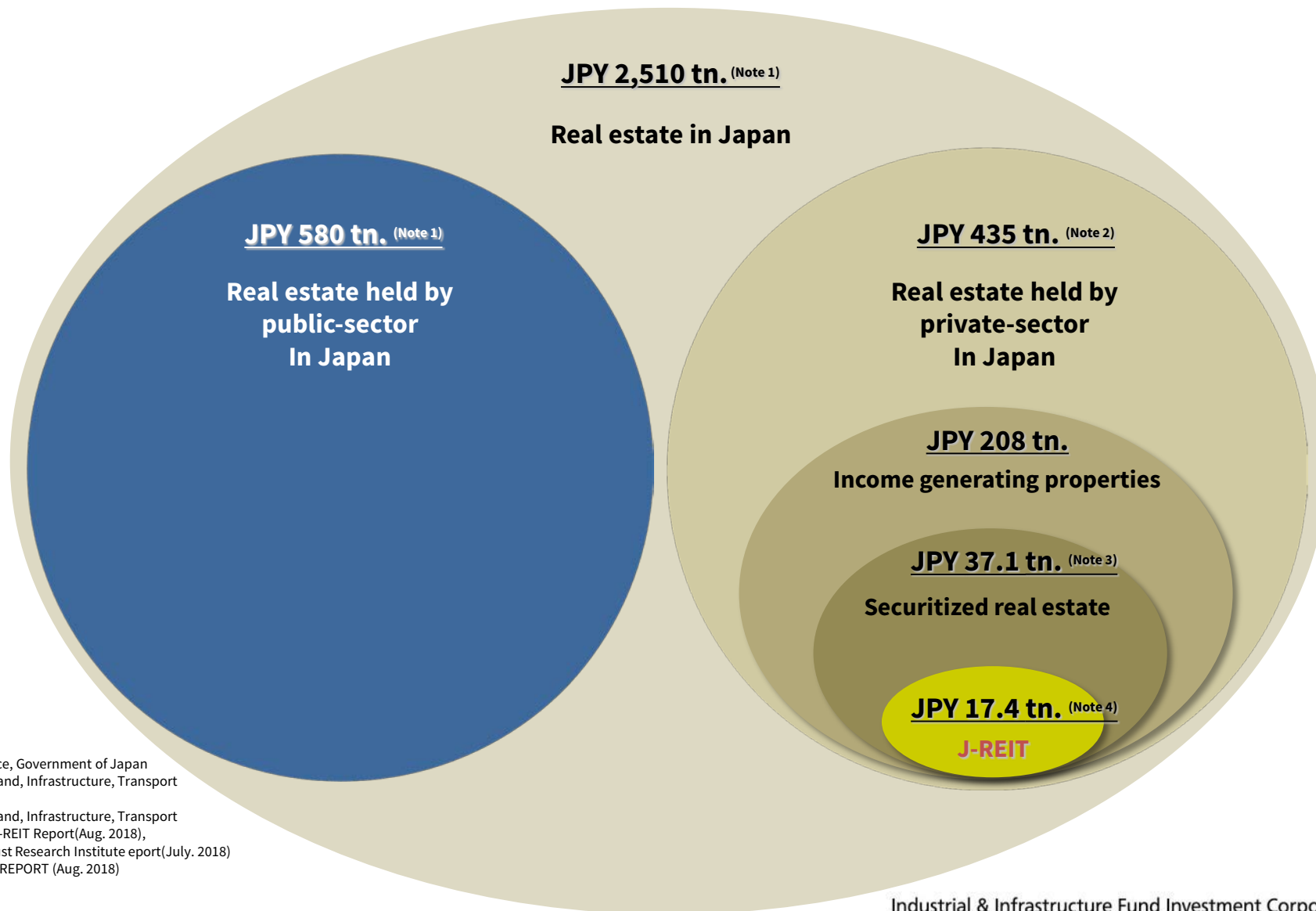
(Note 6) Long term borrowing includes a current portion of long term borrowings

(Note 7) Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its company name to MUFG Bank, Ltd. on April 1, 2018.

(Note 8) As corporate loan business, etc. was transferred to MUFG Bank, Ltd. on April 16, 2018 by the company split method, MUFG Bank, Ltd. was took over the position as a lender of the borrowings pertaining to the Mitsubishi UFJ Trust and Banking Corporation.

## Prodigious Growth Potential with less Acquisition Competition

Opportunities for acquisition of real estate held by private/public sectors are still huge for J-REITs



(Note1) Source: Cabinet Office, Government of Japan

(Note2) Source: Ministry of Land, Infrastructure, Transport and Tourism

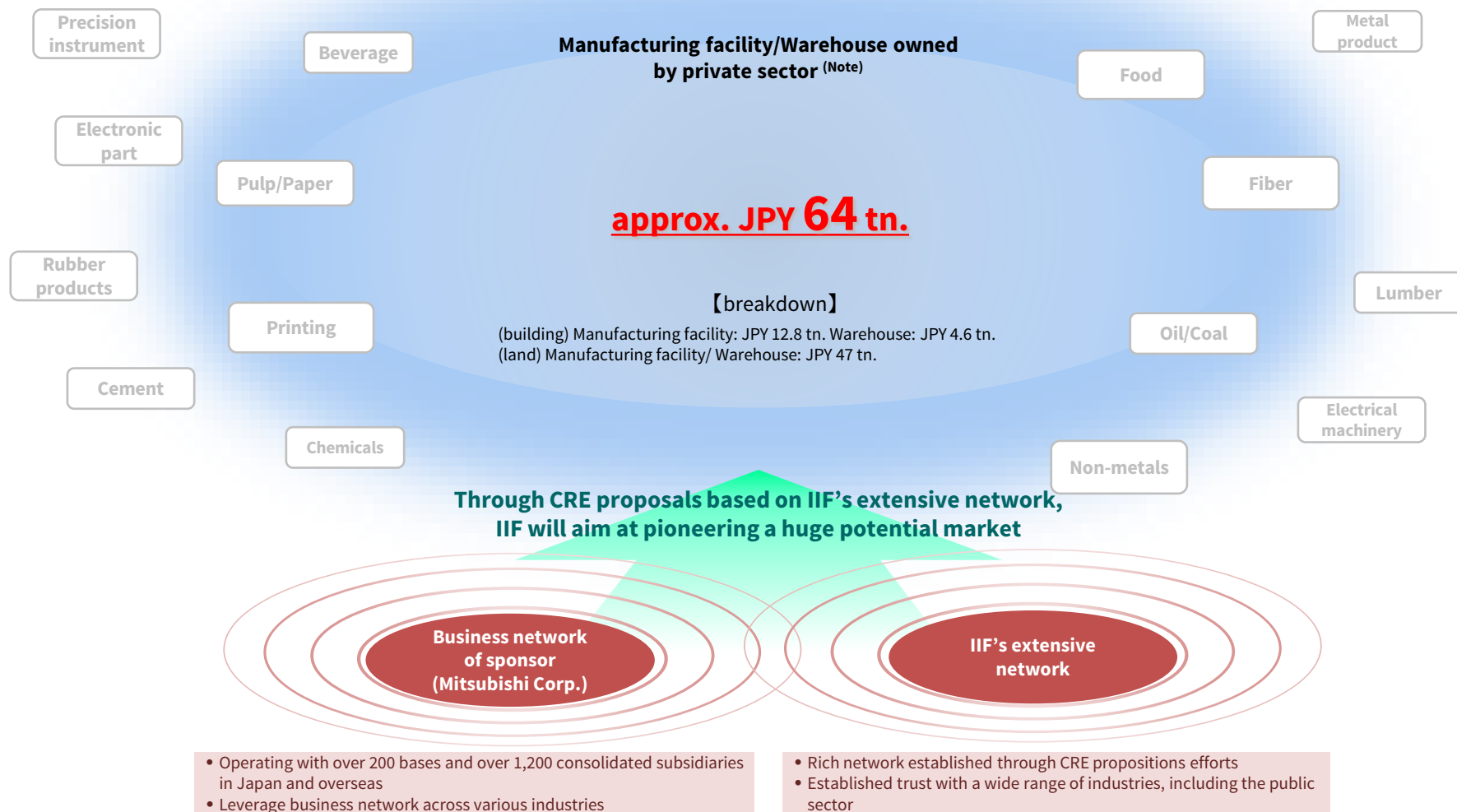
(Note3) Source: Ministry of Land, Infrastructure, Transport and Tourism, ARES J-REIT Report(Aug. 2018), Sumitomo Mitsui Trust Research Institute report(July. 2018)

(Note4) Source: ARES J-REIT REPORT (Aug. 2018)

# Potentials of Manufacturing Facility Investments

Continuously lead acquisition of the high potential manufacturing facility market

**Start of securitization of manufacturing-facility assets,  
which presents a large potential market**



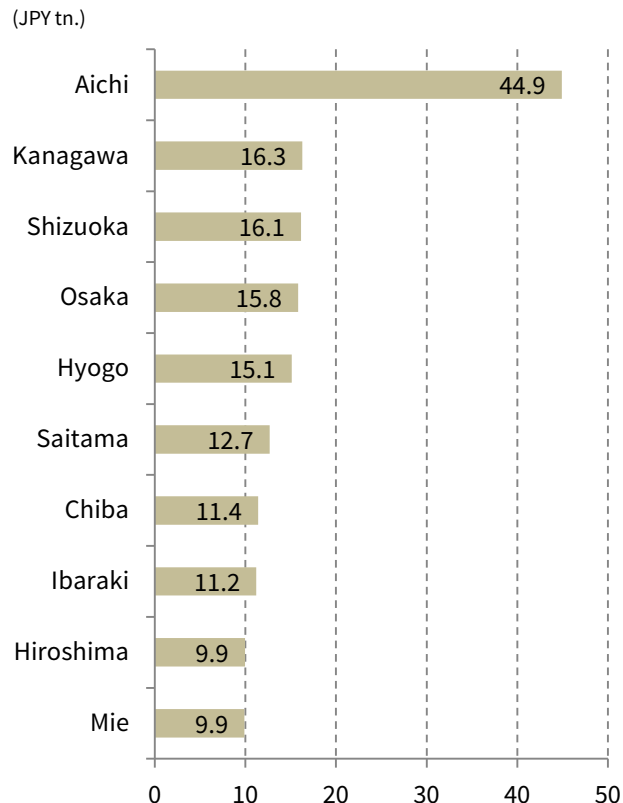
(Note) Source : Ministry of Land, Infrastructure, Transport and Tourism



# Manufacturing Facilities Location Trends

## Top 10 prefectures in terms of amount of products shipped

Manufacturing facilities in Japan are concentrated in areas surrounding the three major cities and Tokai region

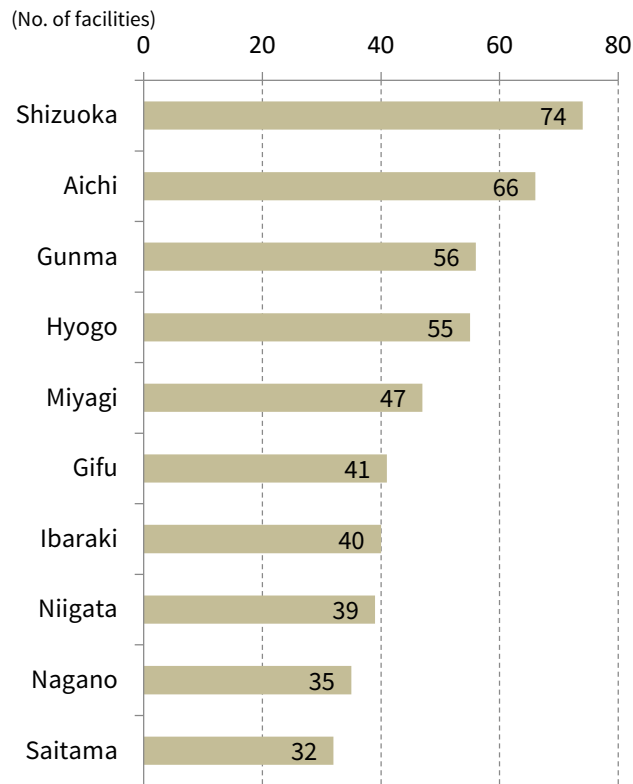


(Source) Ministry of Economy, Trade and Industry, "Census of Manufacture", 2017

(Note) The value of products shipped is defined as the total value of annual income from manufactured goods shipments, receipts for production done to others, shipments for scraps and salable refuse, and other revenue, including internal tax on consumption and consumption tax.

## Top 10 prefectures in terms of the no. of manufacturing facilities

Manufacturing facilities construction in 2016 is concentrated in land areas of Tokai region



(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2016 Preliminary Report (January–December)"

(Note) Only includes sites throughout Japan with ground area of 1,000 m<sup>2</sup> or more that were acquired or leased for the purpose of building factories or work places (excluding the landfill planned site) for manufacturing, electric, gas or heat supply businesses.

## Reasons to choose locations

	(No. of responses)
Proximity to HQ and other factories of its own	281
Land price	170
A lot in an industrial park	165
Proximity to markets	105
Aid from national/local governments	121
Proximity of affiliated companies	93
Less limitation due to surrounding environment	124
Access to labor/talents	124
Access to expressway	126
Sincerity/enthusiasm/speed of local government	88
Access to raw materials	72
Access to distribution and service-industry operations	22
Personal contact with other managers	32
Access to industrial water supply	23
Access to airport, seaport, and rail	15
Share location with other companies	7
Developed academic research institute	8
Others	106

## Reasons to choose locations in Japan rather than abroad

	(No. of responses)
Access to good labor	8
Access to raw materials	9
Proximity to markets	12
Proximity of affiliated companies	5
Aid/cooperation from national/local government	10
Political stability and security	6
Organized industrial foundation	4
Developed service-industry operations for the location	0
Developed academic research institute	2
Organized distribution system	2
Care for intellectual property right	0
Others	5

(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2016 Preliminary Report (January–December)"

Table above "Reasons to choose locations in Japan rather than abroad" shows the results of questionnaire that the 32 companies considered location either abroad or Japan, and eventually decide to the location in Japan.

## Potential for CRE (1)

### Initiatives to improve capital efficiency

- ▶ Japanese companies are facing growing demand for improving capital efficiency because their ROE levels are lower throughout the world and there is a gap in attitude toward ROE between investors and companies

One of the world's largest pension funds is focusing on capital efficiency

#### “GPIF”

#### Recent Changes to Government Pension Investment Fund investment policies

Investment policy changed to support investment managers who comply with the Japanese Stewardship Code (e.g., use of JPX Nikkei Index 400 as a benchmark)

Index change brings discipline

#### “JPX400”

#### Launch of JPX Nikkei Index 400

Eligibility criteria include 3-year average ROE as a benchmark, 3-year accumulated operating profits, appointment of independent outside directors and adoption of IFRS.

Investor communications seeking to improve capital efficiency

#### “Stewardship Code”

#### Formulation of Japan Stewardship Code

Japanese institutional investors have accepted the new Stewardship Code which has as its core tenet the improvement of corporate value and efficiency through increased dialogue between institutional investors and Japanese companies (233 institutional investors accepted)<sup>(Note 1)</sup>

**Increasing focus on ROE**

Quantitative target requirements

#### “Corporate Governance Code”<sup>(Note2)</sup>

#### Japan's new Corporate Governance Code

The new Code became effective on June 1, 2015, under which listed companies are required to present targets of profitability and capital efficiency and to mention how to allocate managerial resources to meet such targets, in their business strategy and plans

ISS amendments increase pressure to achieve 5% ROE

#### “ISS”

#### Amendments to Institutional Shareholder Services Inc.'s proxy voting guidelines

ISS's amendments recommend investors that vote against directors if a company's average ROE is lower than 5% for 5 consecutive fiscal period (effective as of February 2015)<sup>(Note 3)</sup>

**Capture acquisition opportunities through CRE proposals  
which take advantage of the increasing awareness regarding capital efficiency**

(Note 1) Japanese Version of Stewardship Code was established in February 2014 at the Council of Experts on the Stewardship Code, and was revised in May 2017. The figure is for the Institutional investors accepted as of Aug. 31, 2018.

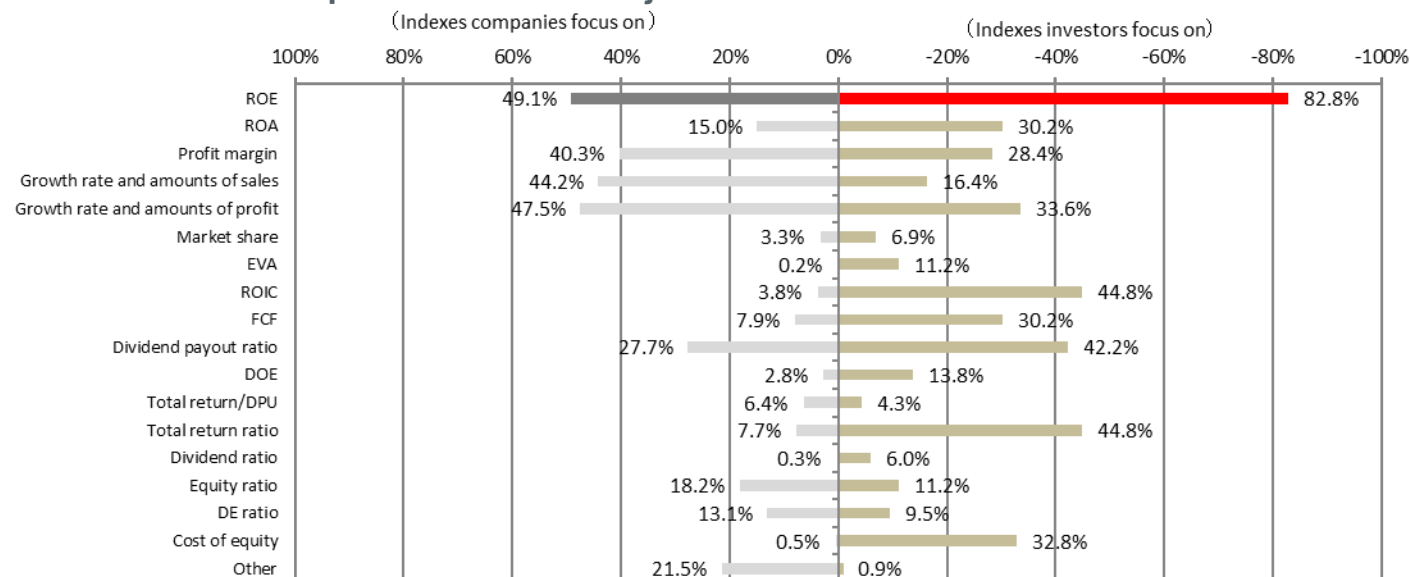
(Note 2) Corporate Governance Code refers to the policy established by Tokyo Stock Exchange and was implemented in June 2015 as a guide to basic corporate governance practice for the listed companies.

(Note3) Except for the case where ROE of the most recent fiscal year is 5% or more

## Potential for CRE (2)

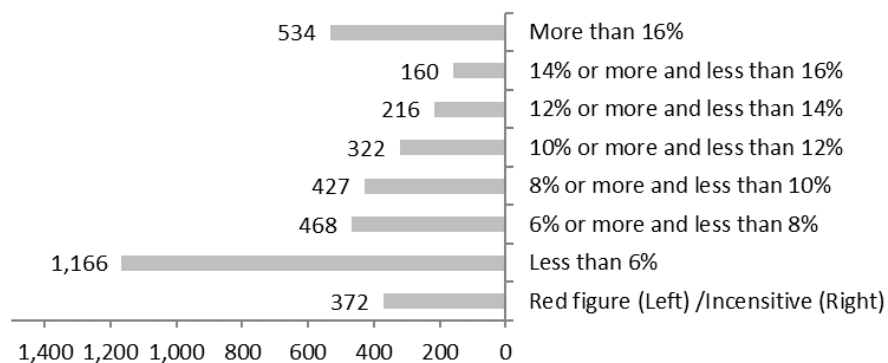
### Increasing focus on CRE through capital market

#### Indexes recommended to emphasize as business objectives



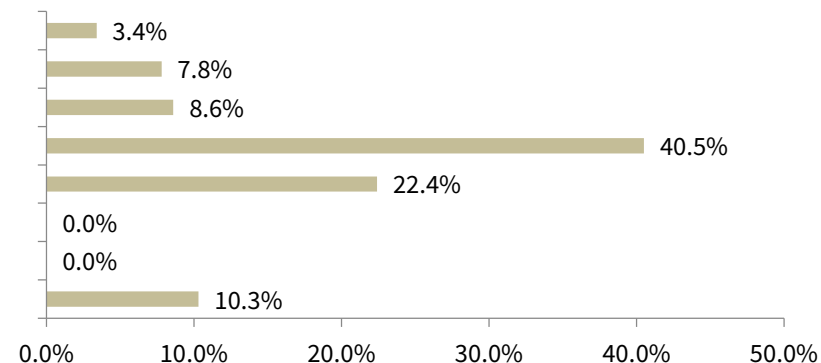
#### ROE target recommended in the medium-to-long term

##### Distribution of ROE target of Japanese companies



(Source) 2017 survey by the Life Association of Japan

##### ROE target investors want





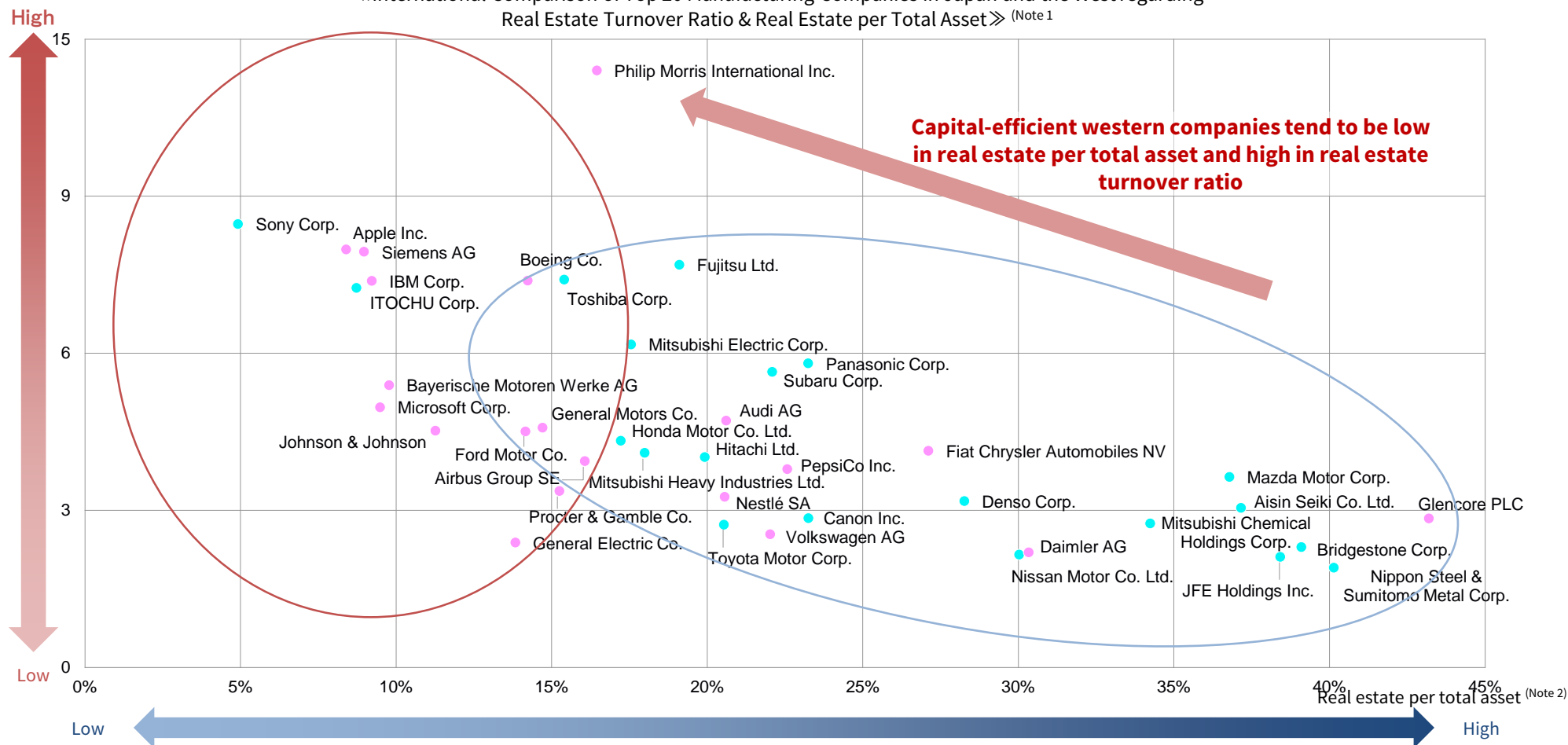
## Potential for CRE (3)

Seek external growth opportunities through CRE proposals as a solution provider

### ■ Possibility of accelerating off-balance transaction in manufacturing industry

Real estate turnover ratio (Note 2)

«International Comparison of Top 20 Manufacturing Companies in Japan and the West regarding Real Estate Turnover Ratio & Real Estate per Total Asset» (Note 1)



(Source) The 2017 IndustryWeek 1000, Company disclosures, Capital IQ

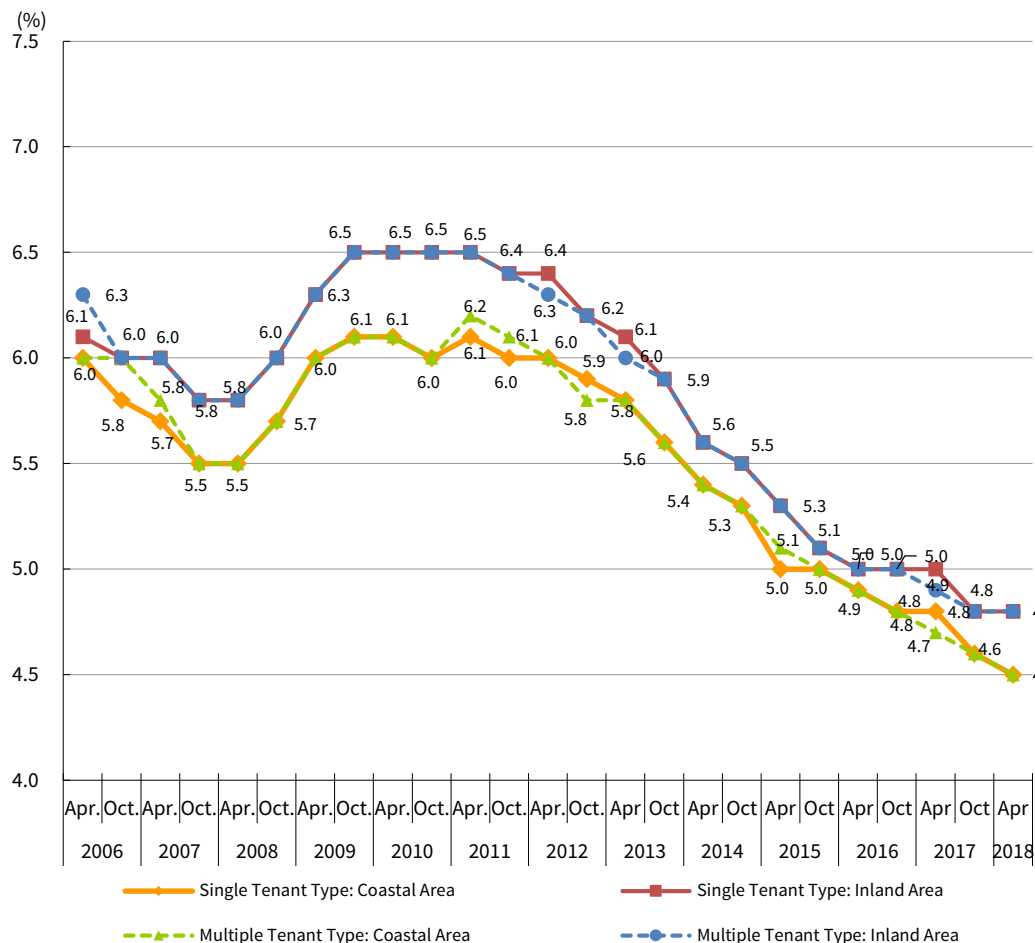
(Note 1)Based on The 2017 IndustryWeek 1000, extract top 20 manufacturing companies in revenue excluding companies in petroleum industry (as of December 4, 2017)

(Note 2)Real estate turnover ratio=revenue / net tangible fixed asset, Real estate per total asset=net tangible fixed asset / total asset

# Overview of the Logistics Market (1)

- Expected cap rate declines continuously through active supply and demand of logistics properties

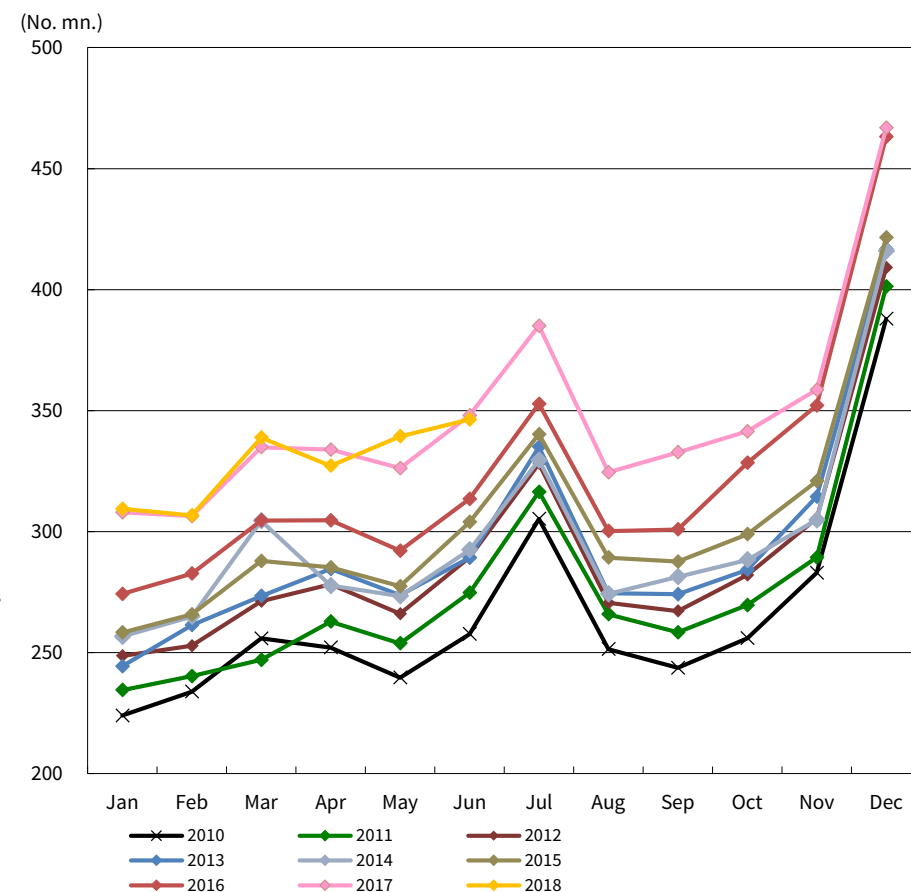
Expected Cap Rate of Logistics Properties and Warehouses  
(Location: Tokyo)



(Source) Japan Real Estate Institute "The Japanese Real Estate Investor Survey"

- Number of parcels for home delivery service is increasing because of expanding mail-order business

Historical Number of Parcels for Home Delivery Service

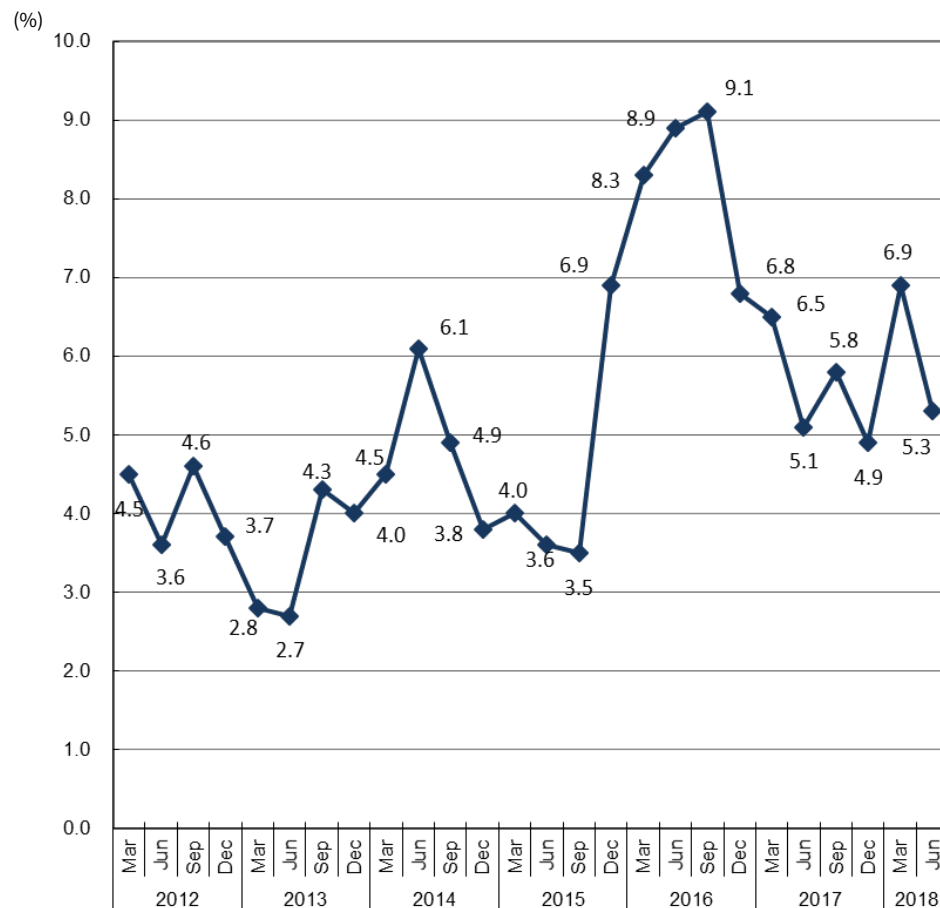


(Source) Ministry of Land, infrastructure, Transport and Tourism

## Overview of the Logistics Market (2)

- Due to supply of new large-scale facilities, vacancy rate once reached to 6.9% in March 2018, but it declined to 5.3% in June 2018

**Vacancy Rate of Large-scale Multi-Tenant Logistics Properties in the Tokyo Metropolitan Area**

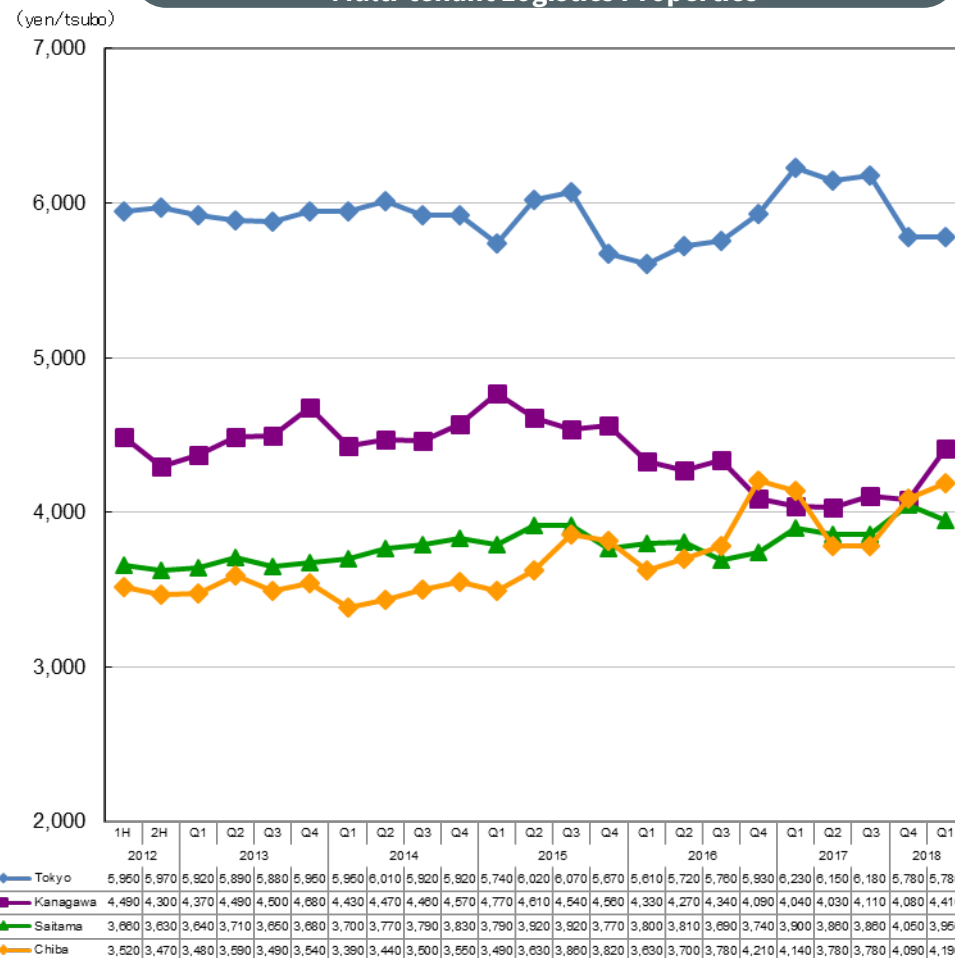


\*Vacancy rate covers 131 multi-type facilities with floor area of 10,000 tsubo and more in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama)

(Source) CBRE: Japan Logistics Market View

- Asking Price for Large-scale Multi-tenant Logistics properties Driving up an average rent for all areas.

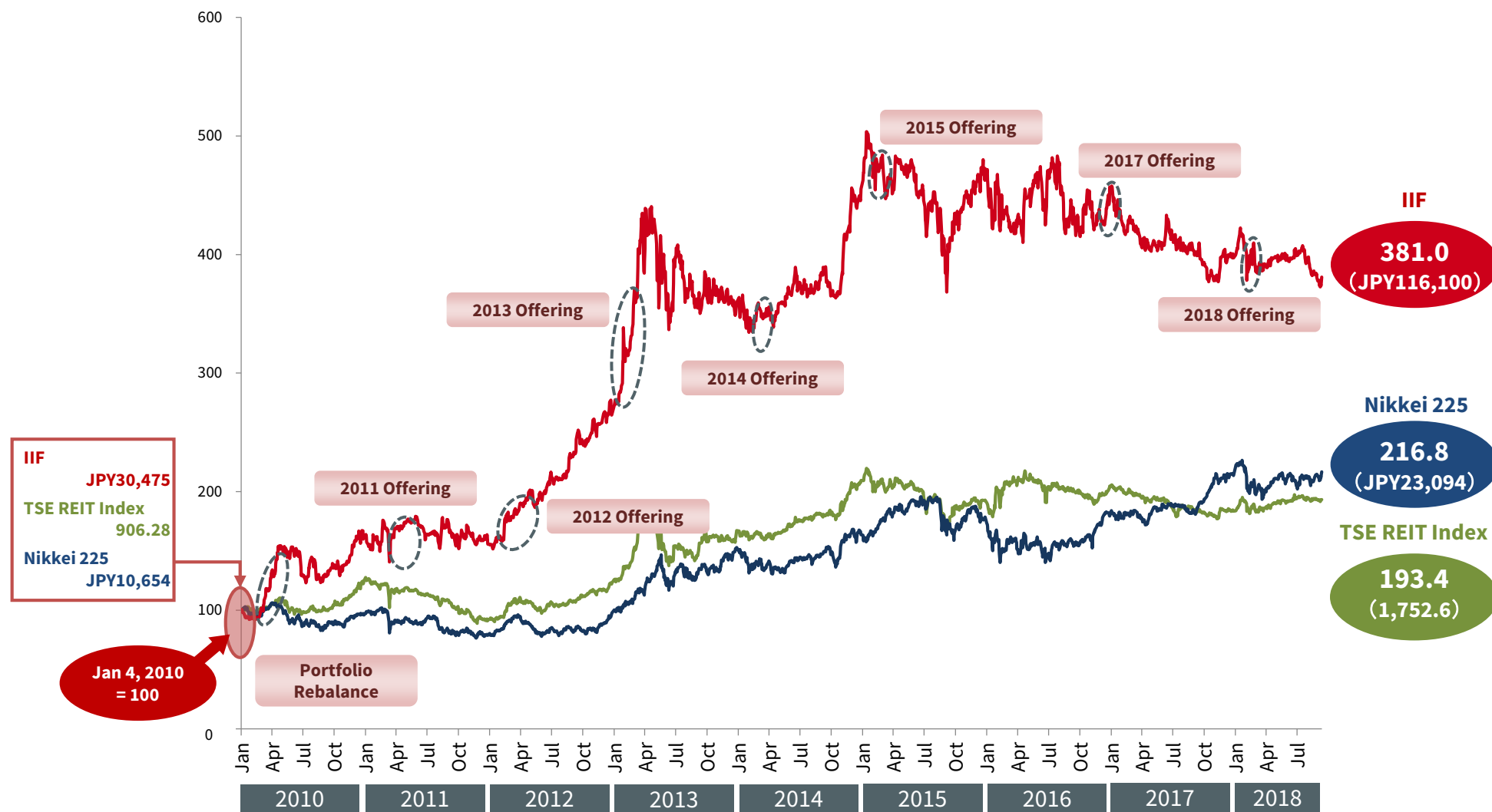
**Average Monthly Asking Rent for Large-scale Multi-tenant Logistics Properties**



(Note) Based on CBRE Data



# Unit Price Performance (Jan. 4, 2010 ~ Sep. 14, 2018)



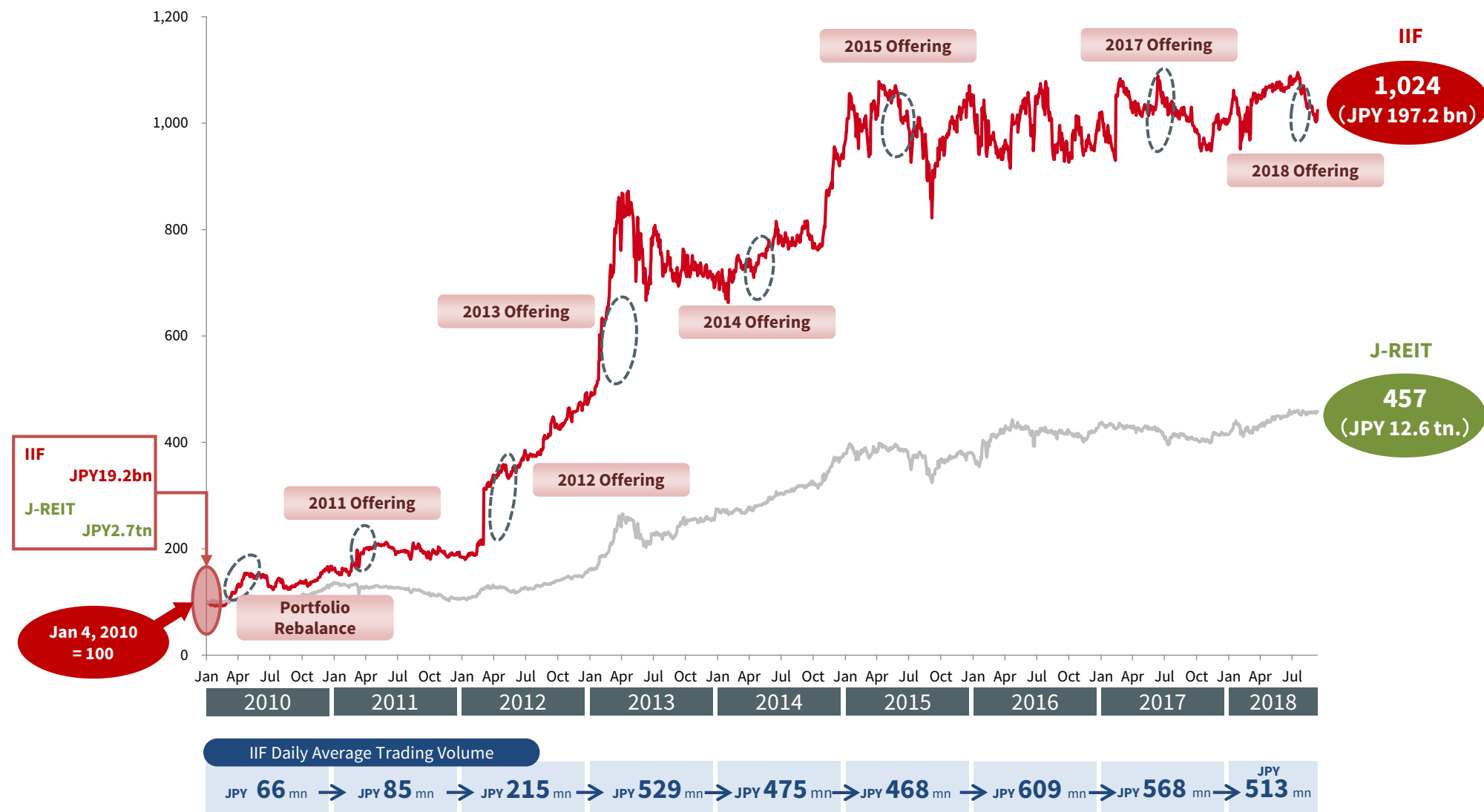
(Source) Bloomberg

(Note1) Indices are based on closing prices considering the unit split of the investment units.

(Note2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

(Note3) Effective as of January 1, 2015, IIF implemented two-for-one split of the investment units and effective as of February 1, 2018, IIF implemented four-for-one unit split of the investment units.

# Historical Market Capitalization Exceeds and Trading Volume (Jan. 4, 2010 ~ Sep. 14, 2018)



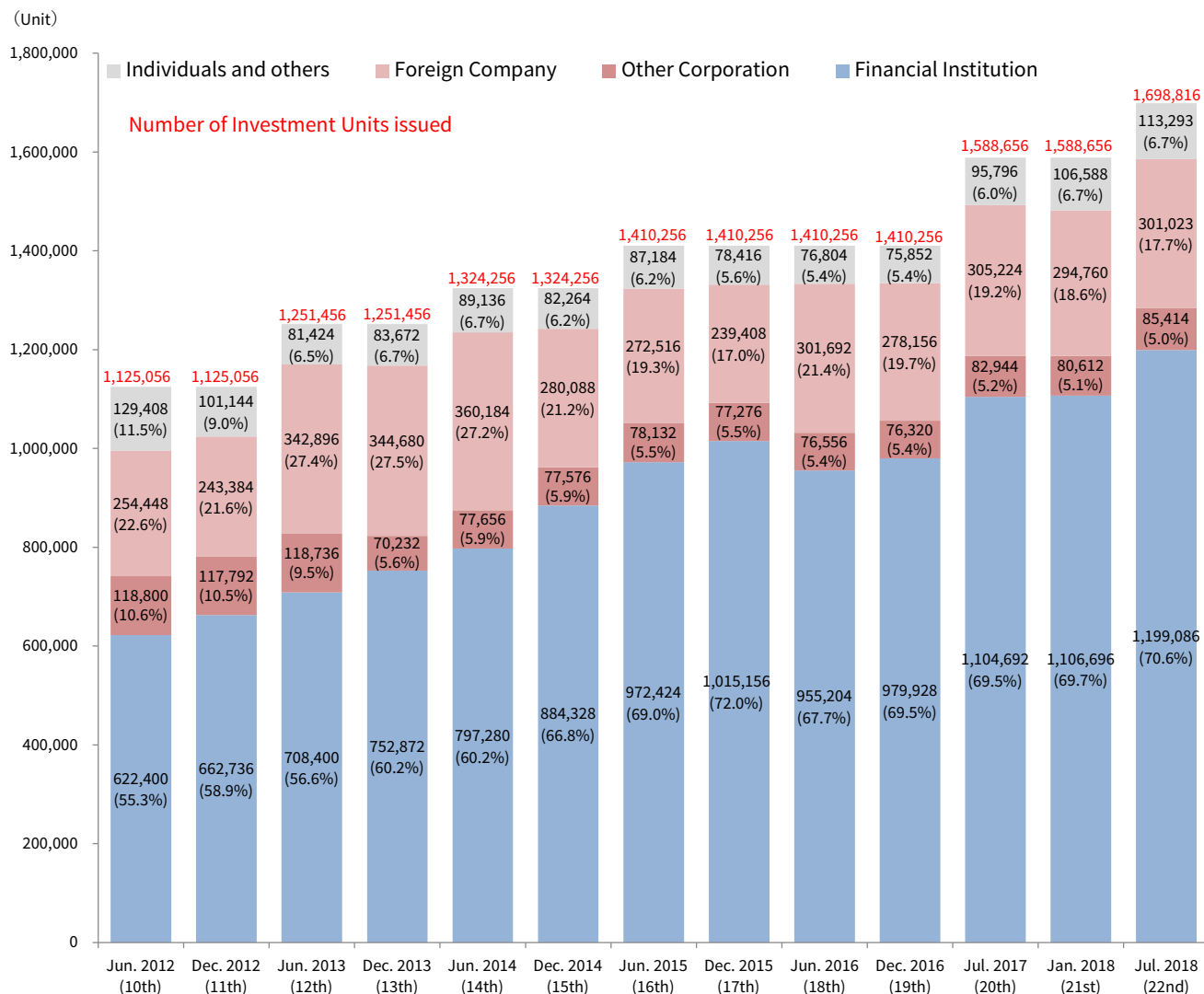
(Source) Bloomberg  
 (Note 1) Based on closing prices  
 (Note 2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

# Investors' Attributes

Top 20 Investors as of the End of Jul. 2018

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	245,867	14.47
2	Master Trust Bank of Japan, Ltd. (Trust Account)	245,795	14.46
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	78,890	4.64
4	Nomura Trust and Banking Co., Ltd. (Trust Account)	71,049	4.18
5	Mitsubishi Corporation	25,600	1.50
6	STATE STREET BANK AND TRUST COMPANY 505012	24,574	1.44
7	Mizuho Trust & Banking Co., Ltd.	24,265	1.42
8	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	24,094	1.41
9	Joyo Bank, Ltd.	22,232	1.30
10	The Hachijuni Bank, Ltd.	22,220	1.30
11	The Chugoku Bank	22,000	1.29
12	Development Bank of Japan Inc.	20,000	1.17
13	THE BANK OF NEW YORK 133970	19,840	1.16
14	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	19,516	1.14
15	Mitsubishi UFJ Trust and Banking Corporation	19,155	1.12
16	The Chukyo Bank, Ltd.	18,424	1.08
17	STATE STREET BANK WEST CLIENT - TREATY 505234	18,423	1.08
18	The Gunma Bank, Ltd.	17,659	1.03
19	THE BANK OF NEW YORK MELLON SA/NV 10	16,721	0.98
20	THE HOKURIKU BANK, LTD	14,978	0.88
Total of Top 20		971,302	57.17

Unit Holder Composition

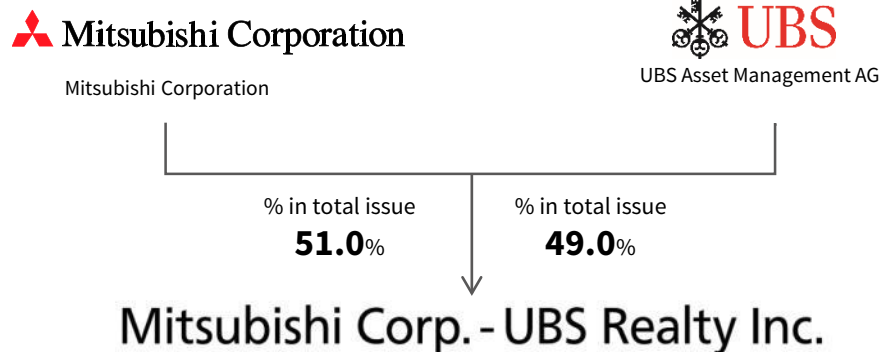


(Note) Effective as of January 1, 2015, IIF made a two-for-one split of its units, and effective as of February 1, 2018, IIF made a four-for-one split of its units. The information in the charts retroactively reflects the unit splits and the figures are truncated to the relevant digit.



# Overview of the Asset Management Company

## Shareholders of Asset Management Company



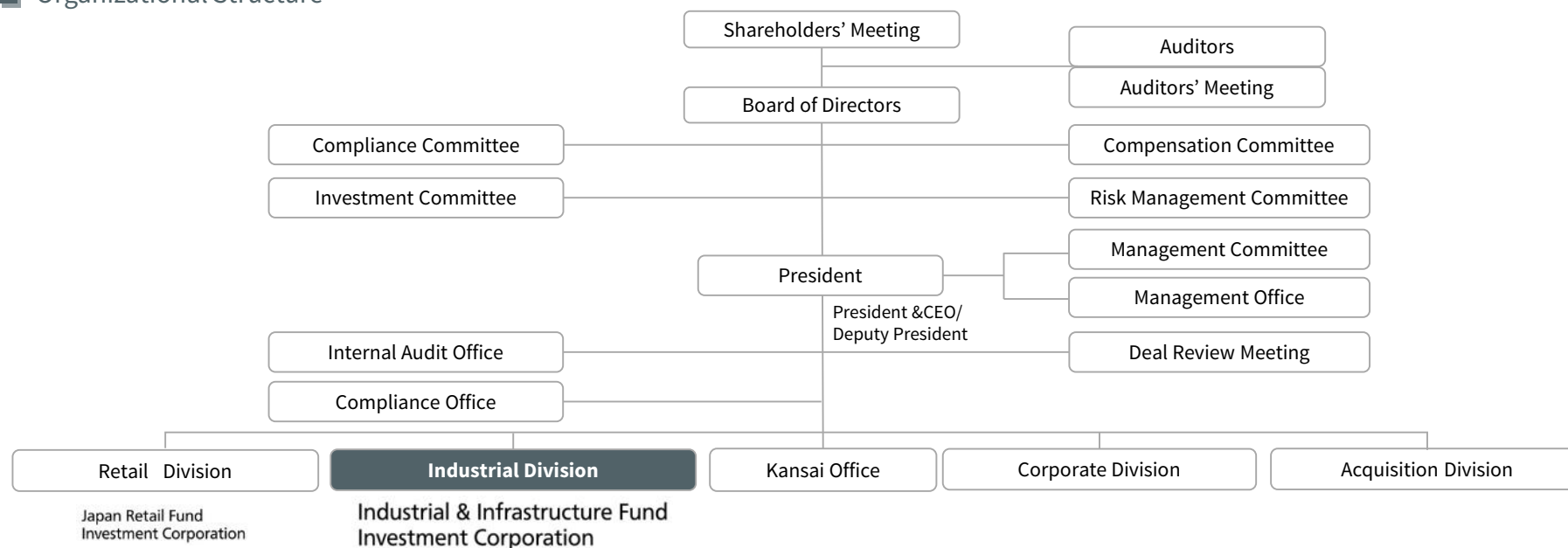
## Asset Management Company:

- Number of Directors and Employees 133  
(excluding part-time directors and employees, and seconded employees)

## Number of Licensed Persons Out of the Above

• Licensed Real Estate Agents	39
• First-class Architects	9
• Real Estate Appraisers	3
• Certified Member of Security Analysts Association of Japan	7
• CPA	2
• Certified Tax Accountants	2
• MBA (including US and UK)	3 (Note) As of Aug. 31, 2018

## Organizational Structure



Think bold today for a brighter tomorrow.



## Industrial & Infrastructure Fund Investment Corporation

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors
- This material is prepared based on Japanese accounting principles 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
- IIF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of IIF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of IIF

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)