

Think bold today for a brighter tomorrow.

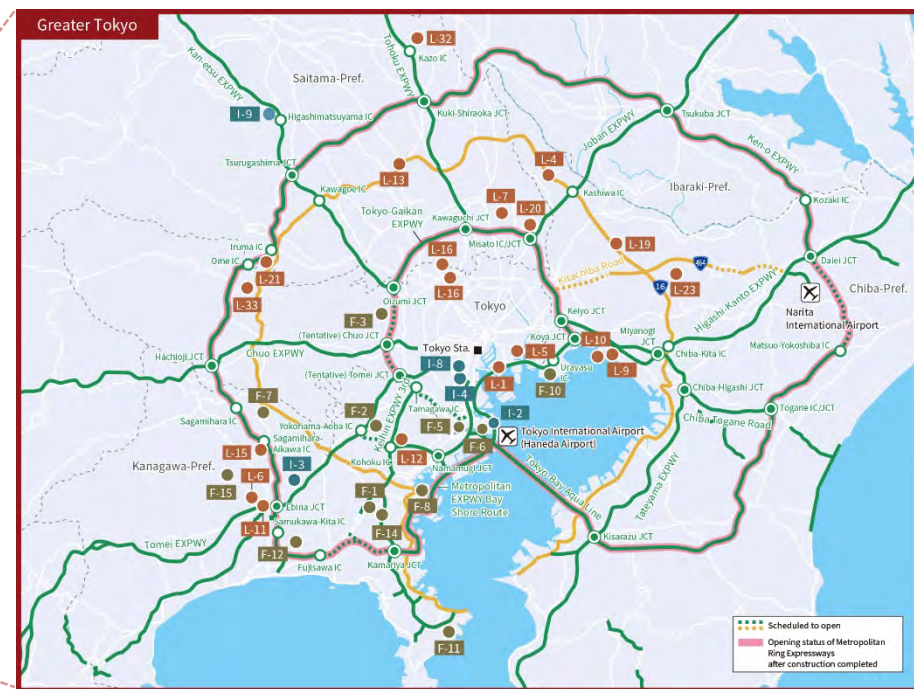
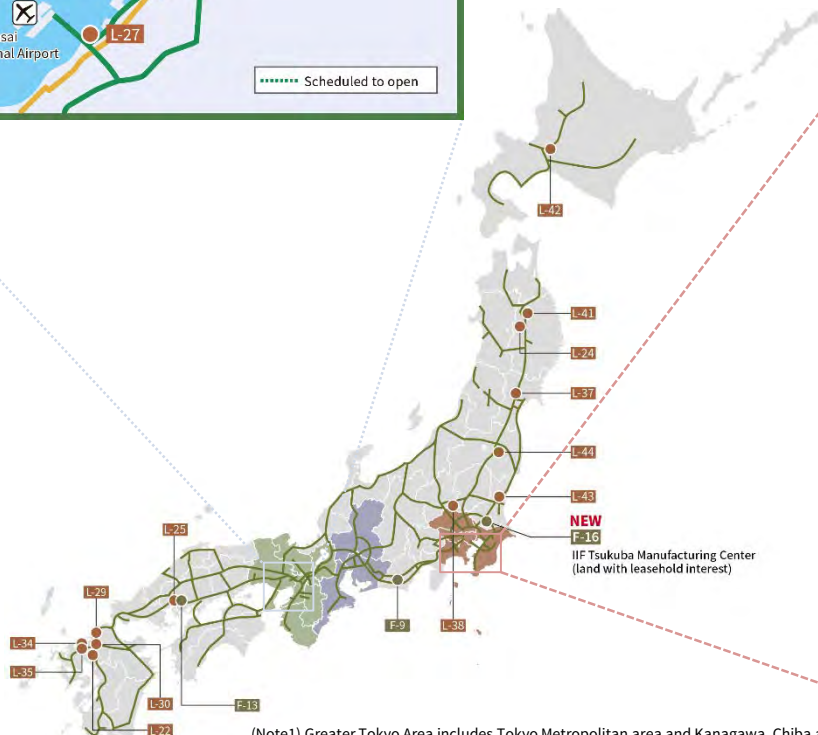
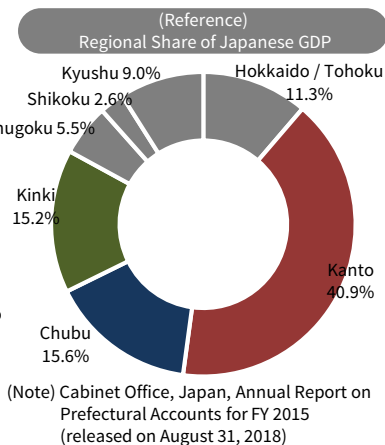
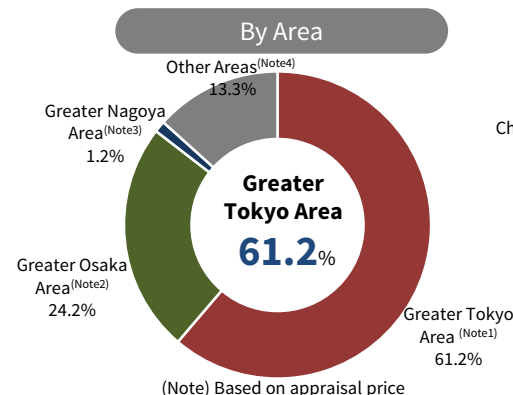
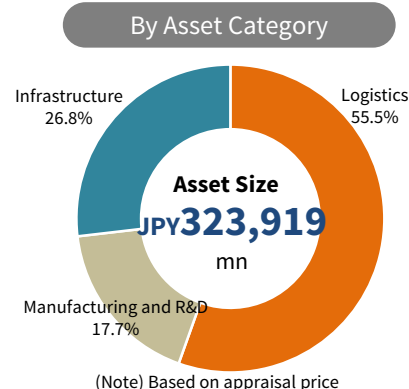


Investor Presentation for the January 2019 (23rd) Period ～Appendix～

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3249

Our Portfolio (As of January 31, 2019)



(Note1) Greater Tokyo Area includes Tokyo Metropolitan area and Kanagawa, Chiba and Saitama prefectures.

(Note2) Greater Osaka Area includes Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures.

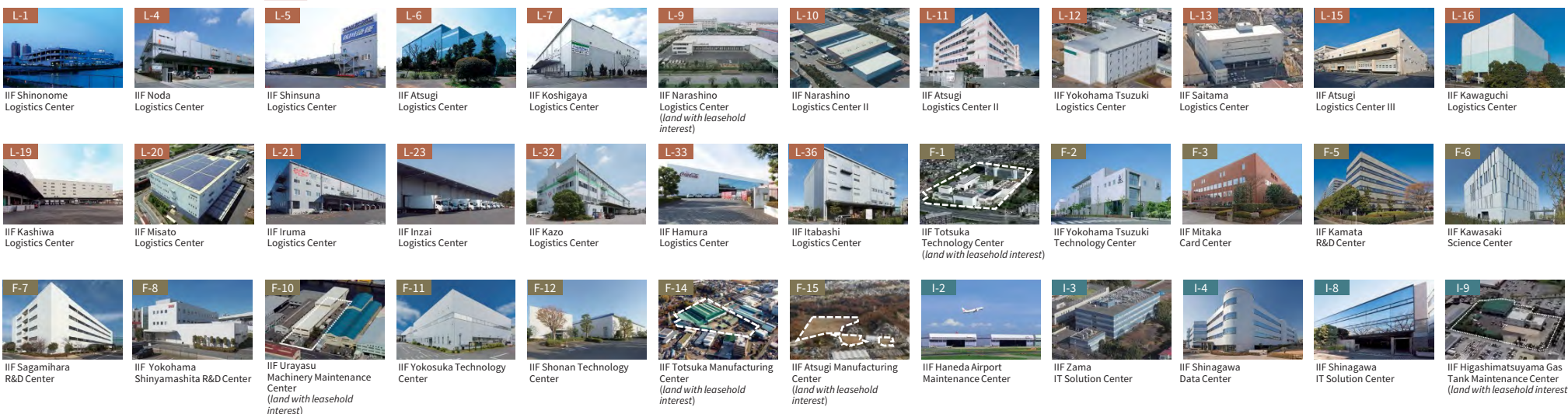
(Note3) Greater Nagoya Area includes Aichi, Mie and Gifu prefectures.

(Note4) Other Areas are areas other than Greater Tokyo Area, Greater Osaka Area and Greater Nagoya Area.

Our Portfolio (As of January 31, 2019)

Greater Tokyo Area⁽¹⁾ 36 properties

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



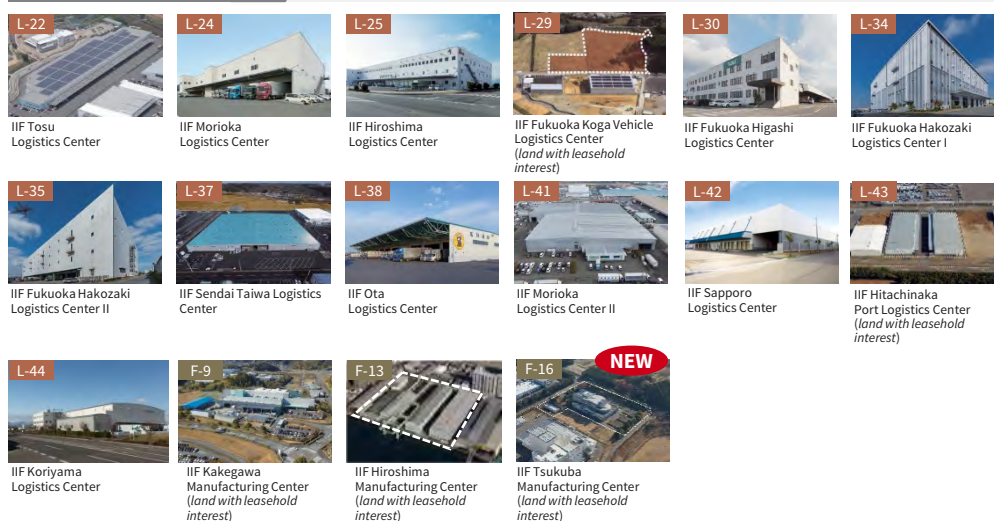
Greater Osaka Area⁽²⁾ 13 properties

Logistics: 10 properties, Infrastructure: 3 properties



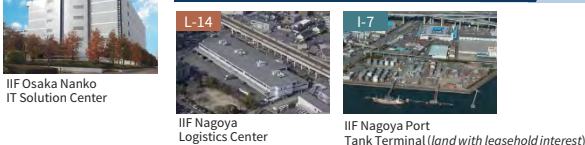
Other Area⁽⁴⁾ 16 properties

Logistics: 13 properties, Manufacturing/R&D: 3 property



Greater Nagoya Area⁽³⁾ 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.

IIF Tsukuba Manufacturing Center (land with leasehold interest)



Key Points

Acquired manufacturing facility (land with leasehold interest) with high versatility located in prime area through CRE proposal using cash reserves.

The acquisition with NOI yield of 8.3% and unrealized gain ratio of 46.7%, contributing to the growth of dividend per unit and the net asset value.

Long-term Usability

- Medium-term usability secured with the non-cancellable period by April 2023, as specified in the lease contract with the current tenant

Versatility

- Location within approx. 7.0km distance from Ami-Higashi IC on Ken-O Expressway, within "Tsukuba-no Sato Industrial Park" comprised in Tsukuba International Strategic Zone, allowing for 24-hour operation
- Location close to Ryugasaki New Town and other residential colonies, which means advantage in securing a workforce
- Enhanced potential as a logistics site, underpinned by the new opening of the section of Ken-O Expressway from Sakai-Koga IC to Tsukuba-Chuo IC in February 2017

Acquisition Price	900million
Appraisal Value	1,320million
Unrealized gain (Ratio) (Note1)	+420million (+46.7%)
NOI Yield	8.3%
NOI Yield after depreciation	8.3%

Tenant	IDEC Corporation
Occupancy Rate	100.0%
Lease type	Fixed-term leasehold for business purposes
Lease term (Remaining term) (Note2)	30.0 years (29.2 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Not allowed in principle

- Located in the Tsukuba International Strategic Zone where many manufacturer are located



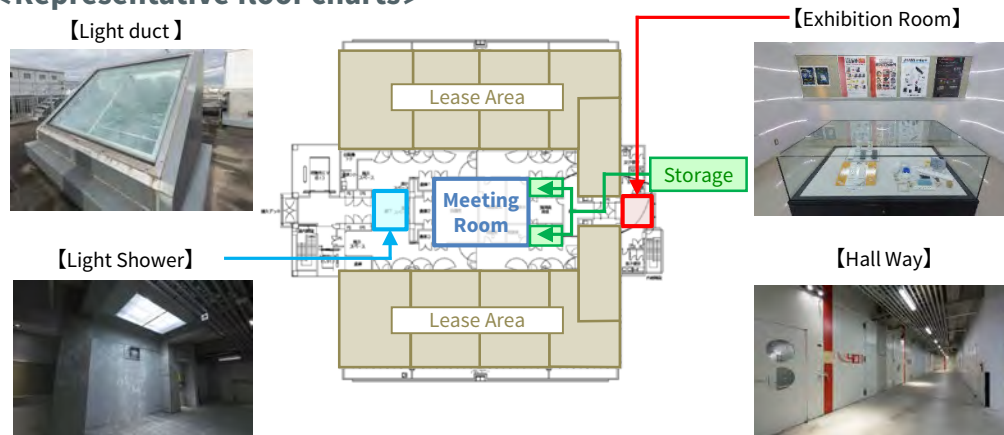
【Silent Partnership Interest】 OTA Techno CORE



Property Characteristics

- Ota City in Tokyo, where the property is located, ranks number one in industry among Tokyo's 23 wards in terms of the value of manufactured goods shipment, number of employees, and number of business sites, and there is solid tenant demand from small and medium manufacturing businesses.
- The property features specifications with a high degree of versatility including floor bearing capacity of 2.5 t/m² on the first and second floors, and 1.5 t/m² on the third and fourth floors, effective ceiling heights of 4.1 m on the first floor, 3.8 m on the second floor, and 3.0 m on the third and fourth floors, one 6.0-ton freight elevator that can be used to transport large machinery and materials, and one standard elevator.

<Representative floor charts>



Key Points

1. The SPC established by funds from IIF and other investors invites the Development Bank of Japan Inc. as the senior lender and is going to acquire a rental factory (shared factory) of which Ota City in Tokyo being the tenant.
2. A preferential negotiation right will be given to IIF to acquire the trust beneficiary right at a price lower than the acquisition price of the SPC, and securing both future acquisition opportunities and high profitability over the medium term.
3. PRE development and ESG measures will be undertaken on a continuous basis.

Tenant	Ota City, Tokyo
Lease type	Fixed-term leasehold agreement
Lease term (Remaining period)	20.0 years (13.2years)
Cancellation before expiration/ Rent revision	Not allowed in principle / Negotiable



【Silent Partnership interest】 OTA Techno CORE (Cont'd (1))

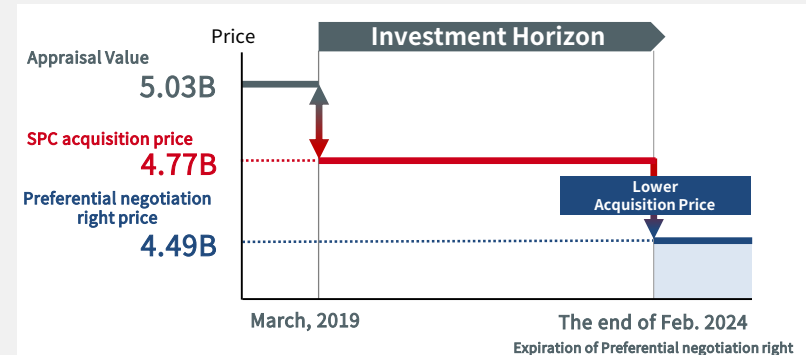
Scheme involved in stakeholders with high public nature

SPC Scheme	
Trust beneficiary right in real estate etc. 5,050 million yen Owner: the SPC Tenant: Ota City, Tokyo	Non-recourse debt (senior) 2,200 million yen Development Bank of Japan Inc.
	Non-recourse debt (mezzanine) 1,200 million yen IBJ Leasing Company, Ltd.
	Equity interest in Silent Partnership, etc. 1,650 million yen IIF Investment Amount : 100 million yen Domestic investors with high degrees of public nature such as non-profit organizations including a mutual aid enterprise and educational institutions
Investment Amount	100 million yen (6.06% of total investment amount in silent partnership)
Expected dividend payout (Note)	7.6%
Investment Horizon	5 years (February 28, 2019 – February 29, 2024)
Special notes	IIF to secure preferential negotiation right for the trust beneficiary right

(Note) The expected dividend payout is calculated by dividing (A) the product of (a) the simulated silent partnership interest dividend, which is calculated by deducting (i) simulated expenses such as operating expense of the SPC and the interest of debt from (ii) the first year net revenue with the DCF method as described in the real estate appraisal report prepared by the Japan Real Estate Institute with September 30, 2018 as the appraisal date (if special circumstances are expected in the first year, the second or later year net revenue is used), and (b) IIF's investment ratio to total silent partnership interest amount (6.06%), by the IIF's Tokumei Kumiai investment amount. The owner of the property will receive subsidies from Ota City in Tokyo until 2021, and the expected dividend payout is calculated using the net operating income in the first year in which the effects from those subsidies are not present. Further, the anticipated amounts of expenses are reference values calculated by the Asset Manager, and the actual dividend payout may differ greatly from the reference values or dividends may not be paid at all.

Securing preferential negotiation right that allows IIF to acquire the asset at a lower price than SPC acquisition price

Lower IIF acquisition price with preferential negotiation right



Schedule

2019	● January : Execution of silent partnership contract
	● February : Implementation of investment in silent partnership
2024	● March : Acquisition of trust beneficiary right by SPC
	● February : Scheduled end of investment horizon

IIF will secure preferential negotiation right for the asset acquisition from March 1, 2019 to February 29, 2024

To consider measures after the investment horizon according to the environment

Main Options for Future

Acquire the trust beneficiary right	Exercise preferential negotiation right
Continue investment in silent partnership	Extend the investment horizon of silent partnership
External sale and redemption	Sell the asset and receive investment redemption

【Silent Partnership interest】 OTA Techno CORE (Cont'd (2))

■ The first case for J-REIT to invest based on the Principles for Positive Impact Finance - OTA Techno CORE -

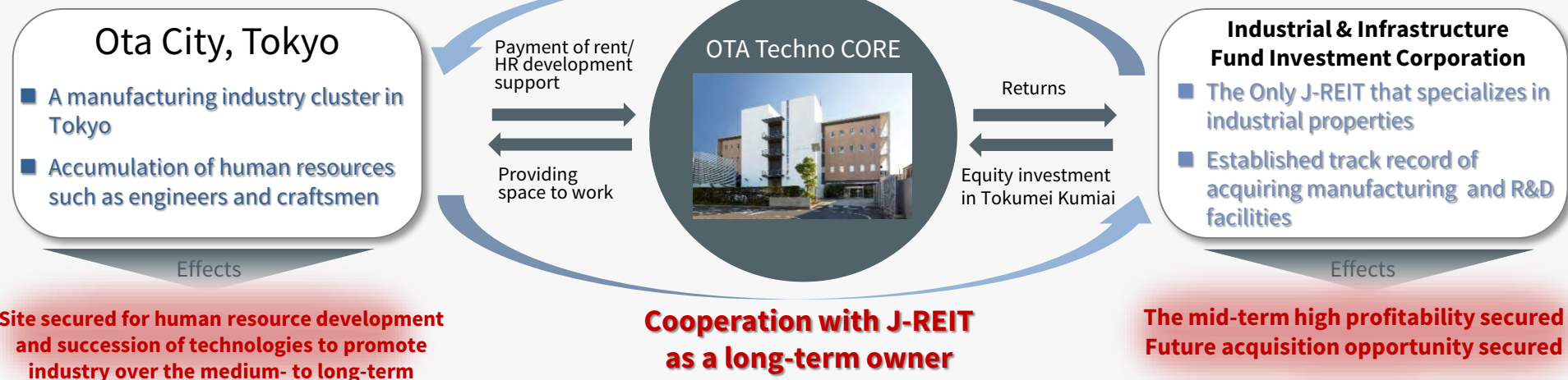
- The equity investment in the Tokumei Kumiai is in line with SDGs ^(Note 1) materiality emphasized by the Asset Manager and will contribute to a sustainable society.
- Furthermore, a third-party opinion ^(Note 2) has been obtained stating that the project is in accordance with the Principles for Positive Impact ^(Note 3) of the United Nations Environment Programme Finance Initiative (UNEP FI).

**SUSTAINABLE
DEVELOPMENT
GOALS**



■ Image of measures for a sustainable society

Measures for Supporting Regional Economic Development from a Real Estate Investment (PRE) perspective



(Note1) The Sustainable Development Goals (SDGs) are the core of the 2030 Agenda for Sustainable Development adopted at the United Nations summit in September 2015. Details can be found on the IIF's web site. <https://www.iif-reit.com/english/sustainability/>

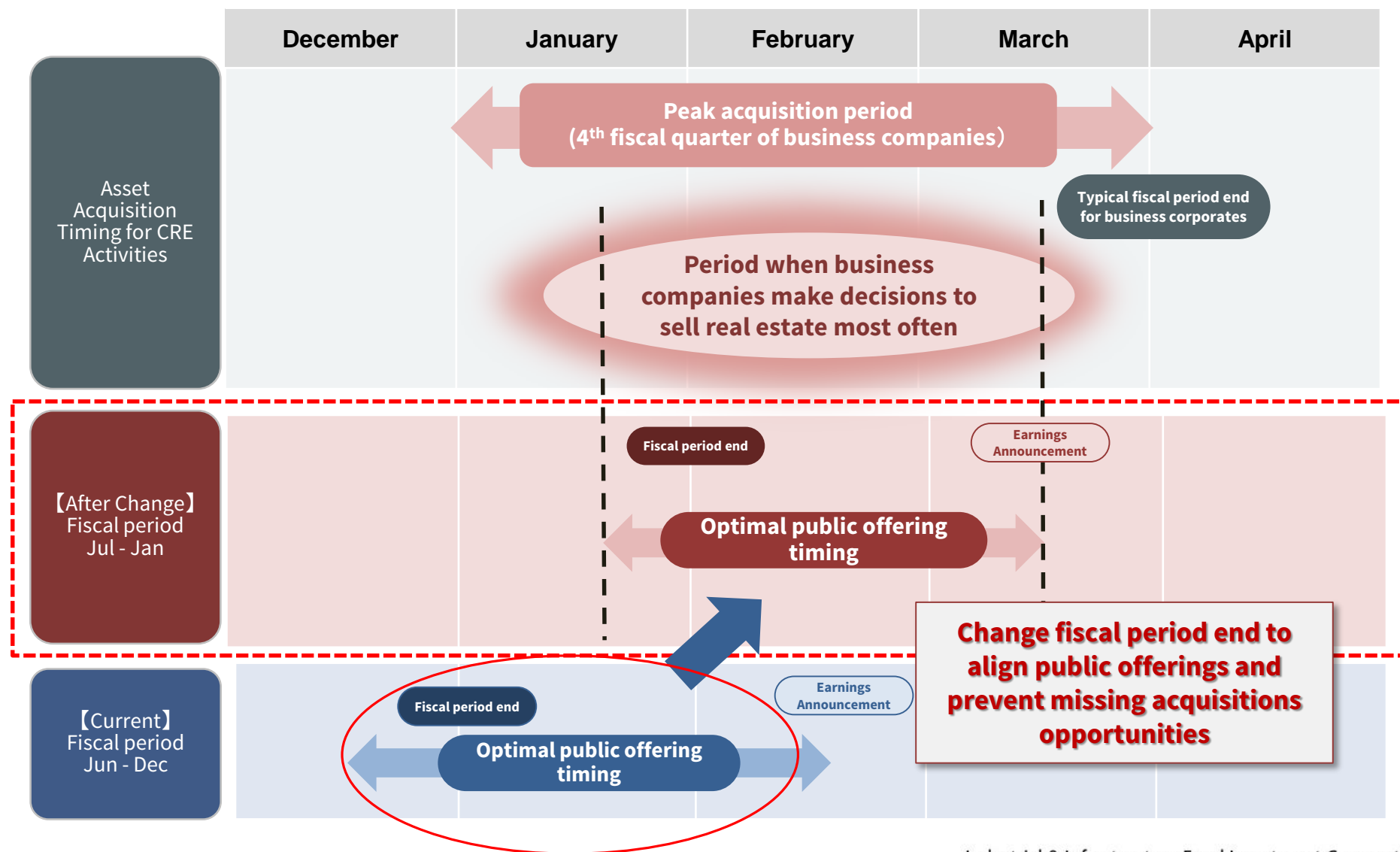
(Note2) Details can be found on the IIF's web site. (IR/PR News : Jan. 09, 2019 Third-party Opinion on Impact Investment Project by Industrial & Infrastructure Fund Investment Corporation)

(Note3) Principles adopted in January 2017 by members of the United Nations Environment Programme Finance Initiative (UNEP FI), namely financial institutions, to achieve sustainable development and the SDGs as a series of shared principles for financing that will lead to efforts to maximization of the positive impact on the economy, society, and the environment while addressing any negative impacts on these same three items. A request has been made to the UNEP FI Positive Impact Steering Group for an opinion regarding compliance of the equity investment in the silent partnership.

Change of Fiscal Period (1)

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

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

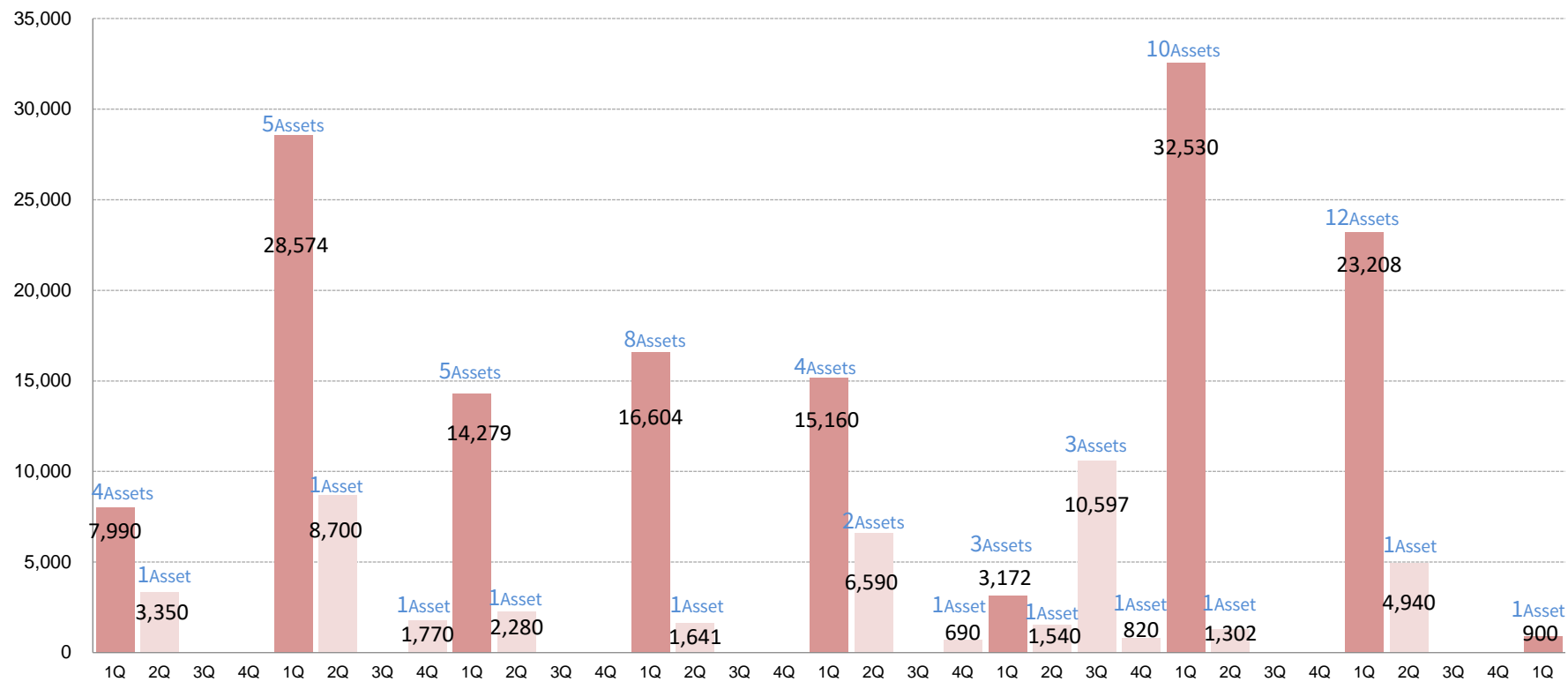


Change of Fiscal Period (2)

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

■ Acquisition timing, price and number of property

Total Acquisition Price
(JPY mn.)



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 ^(Note)

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

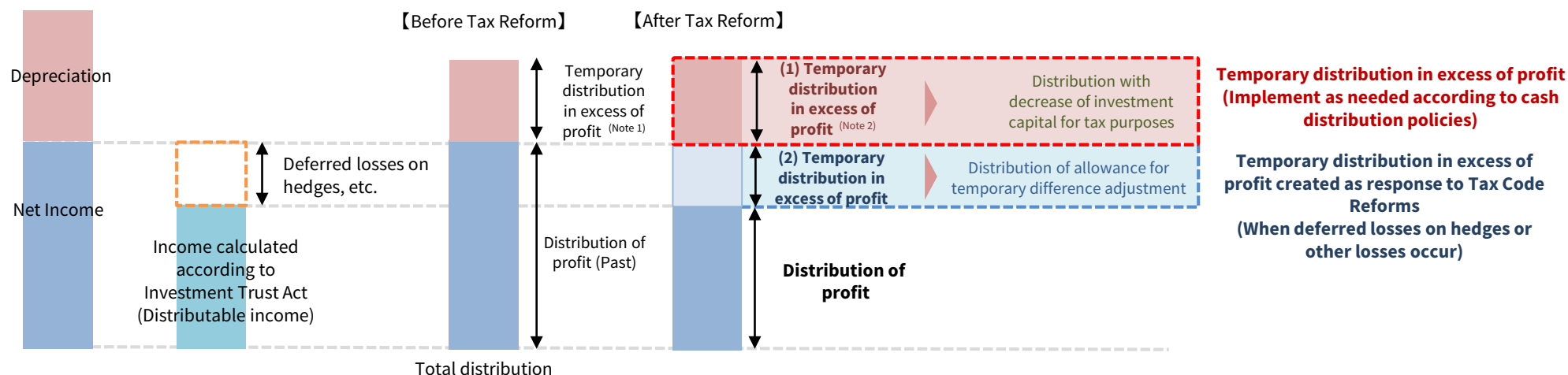
- ✓ When dilution or incurrence of considerable expense in connection with the acquisition of assets or issuance of new investment units is expected and the amount of distribution per unit is likely to temporarily decrease in a certain amount, IIF may distribute the amount of cash determined by IIF as 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 Mar. 14th, 2019

(Note 2) Limited to 60% of depreciation expense

Our Portfolio (1) (As of January 31, 2019)

Logistics Facilities

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition		Appraisal Value as of the End of Period (million yen)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)
					Price (million yen)	Percentage	Value	Percentage	Area	Percentage		
L-1	IIF Shinonome Logistics Center (Note 7)	Koto-ku, Tokyo	Feb 2006	13.0 years	13,700	5.0%	17,119	5.3%	27,493.29㎡	1.8%	100.0%	4.6%
L-4	IIF Noda Logistics Center	Noda-shi, Chiba	Mar 2006	12.9 years	6,500	2.4%	9,100	2.8%	38,828.10㎡	2.6%	100.0%	0.3%
L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	Jun 1998	20.7 years	5,300	1.9%	7,460	2.3%	5,741.75㎡	0.4%	100.0%	6.4%
L-6	IIF Atsugi Logistics Center	Atsugi-shi, Kanagawa	Jan 2005	14.0 years	2,100	0.8%	2,160	0.7%	10,959.68㎡	0.7%	100.0%	8.7%
L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	Sep 1985	33.4 years	2,000	0.7%	2,780	0.9%	10,113.50㎡	0.7%	100.0%	2.6%
L-8	IIF Nishinomiya Logistics Center existing building extension building	Nishinomiya-shi, Hyogo	May 1997	21.7 years	1,300	0.5%	3,000	0.9%	10,608.00㎡	0.7%	100.0%	9.9%
			May 2016	2.7 years	859	0.3%			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%	2,810	0.9%	19,834.71㎡	1.3%	100.0%	—
L-10	IIF Narashino Logistics Center II (Note 8) (land with leasehold interest) (building with leasehold interest)	Narashino-shi, Chiba	—	—	3,350	1.2%	6,600	2.0%	58,070.00㎡	3.9%	100.0%	—
			Apr 1991	27.8 years	1,200	0.4%			25,835.16㎡	1.7%	100.0%	9.2%
L-11	IIF Atsugi Logistics Center II	Atsugi-shi, Kanagawa	Oct 1992	26.3 years	3,100	1.1%	4,040	1.2%	20,661.13㎡	1.4%	100.0%	7.6%
L-12	IIF Yokohama Tsuzuki Logistics Center	Yokohama-shi, Kanagawa	Sep 1998	20.4 years	2,350	0.9%	3,280	1.0%	9,464.03㎡	0.6%	100.0%	8.7%
L-13	IIF Saitama Logistics Center	Saitama-shi, Saitama	Dec 1989	29.1 years	1,490	0.5%	2,130	0.7%	8,995.00㎡	0.6%	100.0%	4.2%
L-14	IIF Nagoya Logistics Center	Nagoya-shi, Aichi	Apr 1990	28.8 years	1,050	0.4%	1,610	0.5%	8,721.01㎡	0.6%	100.0%	9.1%
L-15	IIF Atsugi Logistics Center III	Atsugi-shi, Kanagawa	Oct 1981	37.3 years	2,290	0.8%	3,130	1.0%	16,584.64㎡	1.1%	100.0%	7.3%
L-16	IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Apr 2002	16.8 years	1,770	0.6%	4,380	1.4%	11,705.02㎡	0.8%	100.0%	10.7%
L-17	IIF Kobe Logistics Center	Kobe-shi, Hyogo	Jan 2001	18.0 years	5,193	1.9%	7,560	2.3%	39,567.74㎡	2.7%	100.0%	5.5%
L-18	IIF Higashi Osaka Logistics Center	Higashi Osaka-shi, Osaka	Nov 1991	27.2 years	2,280	0.8%	3,240	1.0%	20,495.06㎡	1.4%	97.3%	9.0%
L-19	IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Nov 1990	28.2 years	1,810	0.7%	2,950	0.9%	17,379.78㎡	1.2%	100.0%	4.4%
L-20	IIF Misato Logistics Center	Misato-shi, Saitama	Feb 2007	12.0 years	3,550	1.3%	5,310	1.6%	19,019.71㎡	1.3%	100.0%	4.0%
L-21	IIF Iruma Logistics Center	Iruma-shi, Saitama	Dec 2010	8.1 years	3,184	1.2%	4,160	1.3%	17,881.65㎡	1.2%	100.0%	5.8%
L-22	IIF Tosu Logistics Center	Tosu-shi, Saga	Feb 2007	12.0 years	1,570	0.6%	1,960	0.6%	13,862.05㎡	0.9%	100.0%	0.8%
L-23	IIF Inzai Logistics Center	Inzai-shi, Chiba	Feb 2007	11.9 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	13.5 years	600	0.2%	1,220	0.4%	8,001.57㎡	0.5%	100.0%	1.9%
L-25	IIF Hiroshima Logistics Center	Hiroshima-shi, Hiroshima	Dec 2013	5.1 years	3,540	1.3%	4,500	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%	4,420	1.4%	48,932.00㎡	3.3%	100.0%	—
L-27	IIF Izumisano Food Processing and Logistics Center	Izumisano-shi, Osaka	Oct 1996	22.3 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	11.9 years	5,730	2.1%	7,390	2.3%	33,243.99㎡	2.2%	100.0%	5.6%
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	Koga-shi, Fukuoka	—	—	860	0.3%	988	0.3%	30,815.97㎡	2.1%	100.0%	—
L-30	IIF Fukuoka Higashi Logistics Center	Fukuoka-shi, Fukuoka	Jan 1997	22.1 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	28.1 years	8,700	3.2%	9,580	3.0%	46,262.20㎡	3.1%	100.0%	9.6%
L-32	IIF Kazo Logistics Center	Kazo-shi, Saitama	Apr 1989	29.8 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	27.5 years	820	0.3%	928	0.3%	3,892.66㎡	0.3%	100.0%	4.2%
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka-shi, Fukuoka	Feb 2008	11.0 years	5,170	1.9%	5,220	1.6%	24,967.58㎡	1.7%	100.0%	0.4%
L-35	IIF Fukuoka Hakozaki Logistics Center II existing building extension building	Fukuoka-shi, Fukuoka	Mar 2008	10.9 years	10,179	3.7%	10,900	3.4%	51,385.32㎡	3.5%	100.0%	0.2%
			Feb 2018	0.9 years								
L-36	IIF Itabashi Logistics Center	Itabashi-ku, Tokyo	May 2007	11.7 years	1,717	0.6%	1,920	0.6%	5,057.68㎡	0.3%	100.0%	5.8%
L-37	IIF Sendai Taiwa Logistics Center	Kurokawa-gun, Miyagi	Jan 2006	13.0 years	1,546	0.6%	1,700	0.5%	15,555.15㎡	1.0%	100.0%	2.4%
L-38	IIF Ota Logistics Center	Ota-shi, Gunma	Feb 2006	12.9 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	12.8 years	12,100	4.4%	14,100	4.4%	52,201.30㎡	3.5%	100.0%	4.8%
L-40	IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Jul 1991	27.6 years	2,540	0.9%	2,800	0.9%	12,299.76㎡	0.8%	100.0%	3.9%
L-41	IIF Morioka Logistics Center II	Shiwa-gun, Iwate	Mar 1997	21.9 years	1,302	0.5%	1,580	0.5%	12,383.30㎡	0.8%	100.0%	1.7%
L-42	IIF Sapporo Logistics Center	Sapporo-shi, Hokkaido	May 2009	9.7 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㎡	1.3%	100.0%	—
L-44	IIF Koriyama Logistics Center	Koriyama-shi, Fukushima	Oct 2005	13.3 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%	2,180	0.7%	33,000.00㎡	2.2%	100.0%	—
Logistics Facilities Total				17.1 years	141,263	51.2%	179,625	55.5%	925,122.74㎡	62.2%	99.9%	—

Our Portfolio (2) (As of January. 31, 2019)

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)		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%	5,390	1.7%	31,442.47m ²	2.1%	100.0%	—
F-2	IIF Yokohama Tsuzuki Technology Center	Yokohama-shi, Kanagawa	Feb 1996	23.0 years	1,100	0.4%	1,340	0.4%	4,655.48m ²	0.3%	100.0%	3.3%
F-3	IIF Mitaka Card Center	Mitaka-shi, Tokyo	Apr 1994	24.8 years	8,700	3.2%	10,100	3.1%	21,615.01m ²	1.5%	100.0%	6.7%
F-5	IIF Kamata R&D Center	Ohta-ku, Tokyo	Jun 1988	30.7 years	7,200	2.6%	8,400	2.6%	21,896.56m ²	1.5%	100.0%	7.7%
F-6	IIF Kawasaki Science Center	Kawasaki-shi, Kanagawa	May 2014	4.7 years	2,168	0.8%	2,950	0.9%	4,857.73m ²	0.3%	100.0%	9.7%
F-7	IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Jul 1989	29.6 years	3,100	1.1%	4,650	1.4%	19,328.40m ²	1.3%	(Note 9) 90.1%	8.5%
F-8	IIF Yokohama Shinyamashita R&D Center	Yokohama-shi, Kanagawa	Aug 2007	11.4 years	3,810	1.4%	4,230	1.3%	4,887.83m ²	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	0.5%	66,171.92m ²	4.4%	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 ²	0.5%	100.0%	—
F-11	IIF Yokosuka Technology Center	Yokosuka-shi, Kanagawa	Nov 1995	23.2 years	4,000	1.5%	4,470	1.4%	13,779.77m ²	0.9%	100.0%	5.0%
F-12	IIF Shonan Technology Center	Koza-gun, Kanagawa	Jul 1994	24.5 years	1,200	0.4%	1,340	0.4%	7,244.71m ²	0.5%	100.0%	4.8%
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Hiroshima-shi, Hiroshima	—	—	1,608	0.6%	1,860	0.6%	23,106.75m ²	1.6%	100.0%	—
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	2,300	0.8%	2,590	0.8%	19,458.49m ²	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 ²	4.3%	100.0%	—
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	Ryugasaki-shi, Ibaraki	—	—	900	0.3%	1,320	0.4%	17,721.03m ²	1.2%	100.0%	—
Manufacturing and R&D Facilities Total				23.3 years	48,366	17.5%	57,330	17.7%	328,419.63m ²	22.1%	99.4%	—
I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Apr 1990	28.8 years	18,100	6.6%	14,700	4.5%	11,476.05m ²	0.8%	100.0%	4.7%
I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	Jun 1993	25.6 years	41,110	14.9%	41,300	12.8%	81,995.81m ²	5.5%	100.0%	M1 : 4.5% M2 : 3.2%
I-3	IIF Zama IT Solution Center	Zama-shi, Kanagawa	Nov 1988	30.2 years	5,384	2.0%	5,530	1.7%	10,931.89m ²	0.7%	100.0%	7.3%
I-4	IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Aug 1989	29.4 years	4,900	1.8%	6,870	2.1%	19,547.11m ²	1.3%	100.0%	8.9%
I-5	IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Sep 1991	27.4 years	5,600	2.0%	6,020	1.9%	20,027.14m ²	1.3%	100.0%	3.8%
I-6	IIF Osaka Nanko IT Solution Center	Osaka-shi, Osaka	Mar 1992	26.9 years	1,150	0.4%	2,420	0.7%	18,435.93m ²	1.2%	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 ²	3.5%	100.0%	—
I-8	IIF Shinagawa IT Solution Center	Shinagawa-ku, Tokyo	Feb 1993	26.0 years	7,200	2.6%	7,130	2.2%	7,057.03m ²	0.5%	(Note 10) 49.5%	7.7%
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	Higashimatsuyama-shi, Saitama	—	—	690	0.3%	754	0.2%	12,880.38m ²	0.9%	100.0%	—
Infrastructure Facilities Total				27.0 years	86,034	31.2%	86,964	26.8%	233,935.04m ²	15.7%	98.5%	—
Portfolio Total				21.3 years	275,664	100.0%	323,919	100.0%	1,487,477.41m ²	100.0%	99.6%	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 Jan. 31, 2019.

(Note 3) "Appraisal Value as of the End of Period" refers to the appraisal value as of Jan. 31, 2019

(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 Jan. 31, 2019.

(Note 6) "PML" is based on surveys carried out in Feb. 15, 2019. 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.

(Note 9) With respect to IIF Sagami-hara R&D Center, "Occupancy rate" is 100.0% as of Mar. 1, 2019.

(Note 10) With respect to IIF Shinagawa IT Solution Center, "Occupancy rate" is 98.9% as of Mar. 1, 2019.

Lease Contracts (1) (As of January 31, 2019)

Logistics Facilities

Property Number	Name of Property	Name of Tenants ^(Note1)	No. of Tenants ^(Note2)	Type of Contract	Annual Rent (JPY MM) ^(Note3,4)	Percentage ^(Note5)	Lease Term ^(Note6)	Lease Term Remaining ^(Note7)
L-1	IIF Shinonome Logistics Center	Sagawa Express Co., Ltd.	1	Fixed-Term Lease	795	4.4%	20.0 years	7.1 years
L-4	IIF Noda Logistics Center	Mitsubishi Electric Logistics Corporation, etc.	2	Fixed-Term Lease	Not Disclosed	-	7.5 years	2.2 years
L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	358	2.0%	20.0 years	19.5 years
L-6	IIF Atsugi Logistics Center	Fuji Logitech Next Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.4 years
L-7	IIF Koshigaya Logistics Center	Kabushikigaisya Tsukasa	1	Fixed-Term Lease	151	0.8%	10.0 years	1.9 years
L-8	IIF Nishinomiya Logistics Center	Suzuho Corporation	2	Fixed-Term Lease	Not Disclosed	-	26.7 years	17.3 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	2.6 years
L-10	IIF Narashino Logistics Center II ^(Note8)	Sapporo Breweries Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	28.0 years	22.0 years
L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	10.0 years	3.6 years
L-12	IIF Yokohama Tsuzuki Logistics Center	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	5.2 years
L-13	IIF Saitama Logistics Center	MM Corporation	1	Fixed-Term Lease	133	0.7%	5.0 years	0.8 years
L-14	IIF Nagoya Logistics Center	Japan Airways Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	1.0 years
L-15	IIF Atsugi Logistics Center III	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.0 years
L-16	IIF Kawaguchi Logistics Center	Hitachi Transport System Metropolitan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	5.4 years
L-17	IIF Kobe Logistics Center	Nissin Corporation	1	Ordinary Lease	Not Disclosed	-	11.7 years	5.7 years
L-18	IIF Higashi Osaka Logistics Center	Settsu Warehouse Co., Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	11.7 years	4.1 years
L-19	IIF Kashiwa Logistics Center	PIP LOGISTICS CO., LTD.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.8 years
L-20	IIF Misato Logistics Center	Takuyo Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	15.1 years	3.2 years
L-21	IIF Iruma Logistics Center	Daiichi Freight System Inc.	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	22.0 years
L-22	IIF Tosu Logistics Center	Hinode Corporation, etc.	2	Ordinary Lease	Not Disclosed	-	8.1 years	1.6 years
L-23	IIF Inzai Logistics Center	Sun Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	3.2 years
L-24	IIF Morioka Logistics Center	Nippon Access, Inc.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	3.7 years
L-25	IIF Hiroshima Logistics Center	Muroo Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	9.9 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	5.7 years
L-27	IIF Izumisano Food Processing and Logistics Center	Nakano Shokai Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	6.2 years
L-28	IIF Kyotanabe Logistics Center	Takara Butsuryu Inc.	1	Ordinary Lease	Not Disclosed	-	10.0 years	8.9 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	16.3 years
L-30	IIF Fukuoka Higashi Logistics Center	Toll Express Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	12.1 years
L-31	IIF Osaka Konohana Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	36.3 years	8.1 years
L-32	IIF Kazo Logistics Center	PIP Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	7.1 years
L-33	IIF Hamura Logistics Center	Coca-Cola Bottlers Japan Inc.	1	Fixed-Term Lease	Not Disclosed	-	8.0 years	5.7 years
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka Soko Co., Ltd.	3	Fixed-Term Lease	Not Disclosed	-	4.0 years	3.3 years
L-35	IIF Fukuoka Hakozaki Logistics Center II ^(Note9)	NTT LOGISCO Inc., etc.	5	Fixed-Term Lease	Not Disclosed	-	7.9 years	3.4 years
L-36	IIF Itabashi Logistics Center	Higashi Twenty One Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	8.3 years
L-37	IIF Sendai Taiwa Logistics Center	Miyago Logistics Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	3.9 years
L-38	IIF Ota Logistics Center	Meitetsu Unyu Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.1 years
L-39	IIF Osaka Suminoe Logistics Center I	Toshiba Logistics Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.2 years
L-40	IIF Osaka Suminoe Logistics Center II	Toshiba Logistics Corporation	1	Ordinary Lease	Not Disclosed	-	1.0 years	0.6 years
L-41	IIF Morioka Logistics Center II	Miyago Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	3.0 years	1.2 years
L-42	IIF Sapporo Logistics Center	Nippon Express Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	5.3 years
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	Aono Sangyo Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	28.7 years
L-44	IIF Koriyama Logistics Center	Nichirei Logistics Group Inc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	6.8 years
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest)	Kohnan Shoji Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	19.2 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 ^(Note1)	No. of Tenants ^(Note2)	Type of Contract	Annual Rent (JPY MM) ^(Note3,4)	Percentage ^(Note5)	Lease Term ^(Note6)	Lease Term Remaining ^(Note7)
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Taisei Corporation	1	Fixed-Term Lease	276	1.5%	30.0 years	21.2 years
F-2	IIF Yokohama Tsuzuki Technology Center	TÜV Rheinland Japan Ltd.	1	Fixed-Term Lease	118	0.7%	22.0 years	11.7 years
F-3	IIF Mitaka Card Center	JCB Co., Ltd.	1	Ordinary Lease	729	4.1%	18.5 years	2.1 years
F-5	IIF Kamata R&D Center	Tokyo KEIKI Inc.	1	Fixed-Term Lease	Not Disclosed	-	14.9 years	7.2 years
F-6	IIF Kawasaki Science Center	Johnson & Johnson K.K. Medical Company	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	10.3 years
F-7	IIF Sagamiyara R&D Center	Micron Memory Japan Inc.,	2	Ordinary Lease, etc	Not Disclosed	-	10.0 years	8.8 years
F-8	IIF Yokohama Shinyamashita R&D Center	TRW Automotive Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	8.6 years
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	CxS Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	26.9 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	46.2 years
F-11	IIF Yokosuka Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	7.6 years
F-12	IIF Shonan Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	7.6 years
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Metal One Corporation	1	Ordinary Lease	Not Disclosed	-	20.0 years	18.2 years
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	MITSUIKE CORPORATION	1	Fixed-Term Lease	Not Disclosed	-	50.0 years	49.1 years
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	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	30.4 years
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest) NEW	IDEC Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	29.2 years
I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	4	Fixed-Term Lease	665	3.7%	12.0 years	5.4 years
I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	1	Fixed-Term Lease	1,888	10.6%	15.4 years	6.9 years
I-3	IIF Zama IT Solution Center	IBM Japan, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	2.5 years
I-4	IIF Shinagawa Data Center	XYMAX Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	3.1 years
I-5	IIF Osaka Toyonaka Data Center	Kanden Properties Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	6.7 years
I-6	IIF Osaka Nanko IT Solution Center	Nomura Research Institute, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.1 years	4.1 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	45.0 years
I-8	IIF Shinagawa IT Solution Center	Hitachi Systems, Ltd., etc.	4	Ordinary Lease	Not Disclosed	-	2.1 years	1.5 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	26.9 years
Portfolio Average Lease Term							16.0 years	8.7 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 Jan. 31, 2019.

(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.

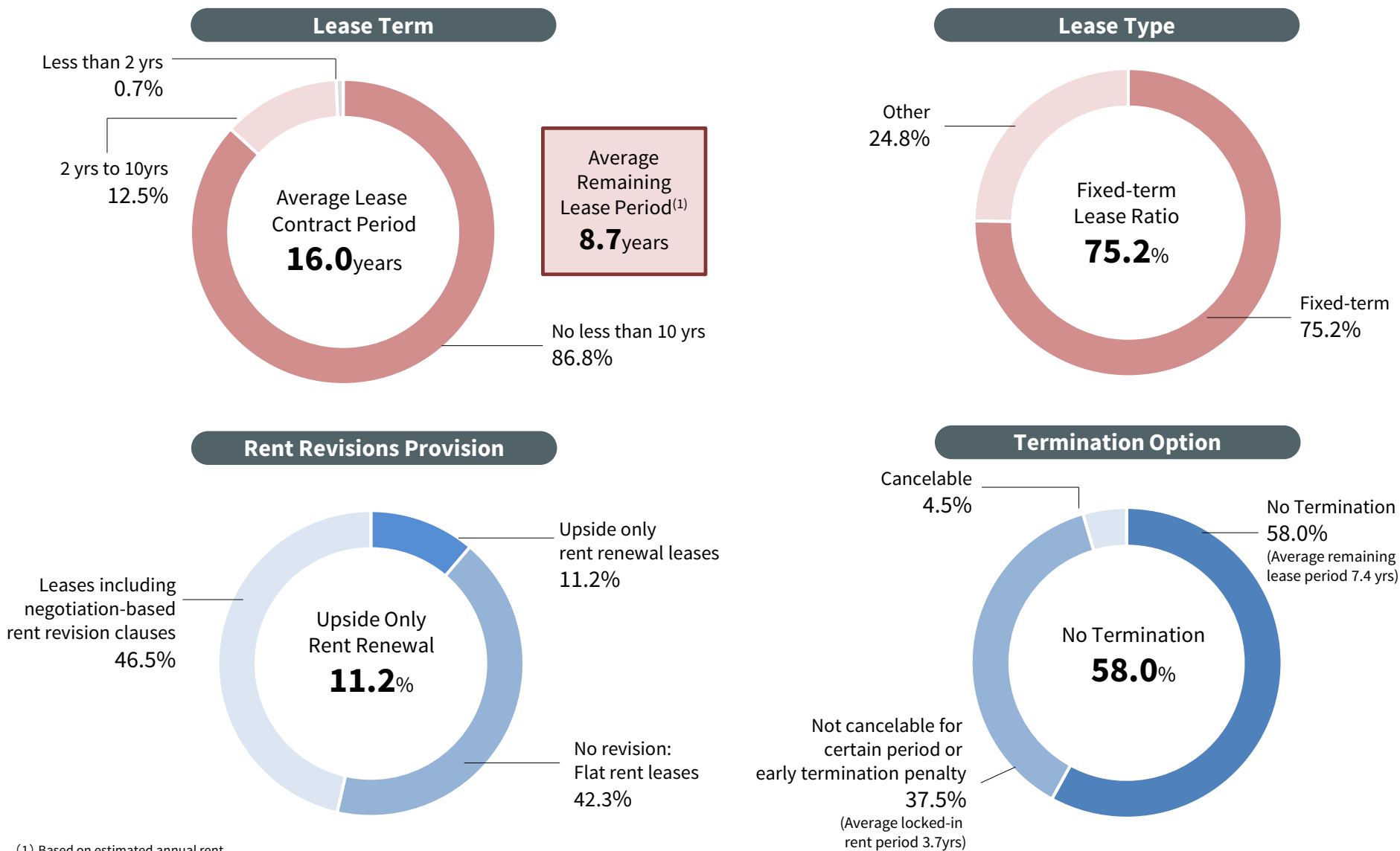
(Note 6) "Lease Term" is calculated based on rent amount of total portfolio and is the weighted average contracted lease term.

(Note 7) "Lease Term Remaining" is calculated from Jan. 31, 2019 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.

(Note9) Figures include IIF Fukuoka Hakozaki LC II(extension building)

Lease Contracts (3) (As of January 31, 2019)



(1) Based on estimated annual rent.



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Appraisal Values (1) (As of January 31, 2019)

Logistics Facilities

Property Number	Name of Property	Book Value (JPY MM)	Unrealized Capital Gain	Appraisal Value as of the End of Period (JPY MM) (Note 1)				Applied Rate (Note 1)						
				End of 23rd Period			End of 22nd 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 (Note 2)	12,894	+ 4,224	17,119	+371	+ 2.2%	16,748	4.2%	3.8%	4.4%	(0.1p)	(0.1p)	(0.1p)	
L-4	IIF Noda Logistics Center	5,377	+ 3,722	9,100	+200	+ 2.2%	8,900	4.4%	4.2%	4.6%	(0.1p)	(0.1p)	(0.1p)	
L-5	IIF Shinsuna Logistics Center	5,176	+ 2,283	7,460	+170	+ 2.3%	7,290	4.2%	3.9%	4.3%	(0.1p)	(0.1p)	(0.1p)	
L-6	IIF Atsugi Logistics Center	1,530	+ 629	2,160	+40	+ 1.9%	2,120	4.7%	4.4%	5.0%	(0.1p)	(0.1p)	(0.1p)	
L-7	IIF Koshigaya Logistics Center	1,782	+ 997	2,780	+50	+ 1.8%	2,730	4.8%	4.5%	4.9%	(0.1p)	(0.1p)	(0.1p)	
L-8	IIF Nishinomiya Logistics Center	1,958	+ 1,041	3,000	+10	+ 0.3%	2,990	5.1%	4.9%	5.3%	0.0p	0.0p	0.0p	
L-9	IIF Narashino Logistics Center (land with leasehold interest)	1,223	+ 1,586	2,810	+120	+ 4.5%	2,690	-	4.5%	-	-	0.0p	0.0p	
L-10	IIF Narashino Logistics Center II	4,657	+ 1,942	6,600	+140	+ 2.2%	6,460	4.7%	4.5%	4.9%	(0.1p)	(0.1p)	(0.1p)	
L-11	IIF Atsugi Logistics Center II	3,205	+ 834	4,040	+80	+ 2.0%	3,960	4.7%	4.4%	5.0%	(0.1p)	(0.1p)	(0.1p)	
L-12	IIF Yokohama Tsuzuki Logistics Center	2,304	+ 975	3,280	+70	+ 2.2%	3,210	4.5%	4.3%	4.7%	(0.1p)	(0.1p)	(0.1p)	
L-13	IIF Saitama Logistics Center	1,445	+ 684	2,130	+40	+ 1.9%	2,090	5.0%	4.7%	5.2%	(0.1p)	(0.1p)	(0.1p)	
L-14	IIF Nagoya Logistics Center	1,137	+ 472	1,610	+30	+ 1.9%	1,580	5.4%	5.1%	5.7%	(0.1p)	(0.1p)	(0.1p)	
L-15	IIF Atsugi Logistics Center III	2,379	+ 750	3,130	+70	+ 2.3%	3,060	4.9%	4.6%	5.1%	(0.1p)	(0.1p)	(0.1p)	
L-16	IIF Kawaguchi Logistics Center	2,066	+ 2,313	4,380	-	0.0%	4,380	4.4%	4.2%	4.5%	0.0p	0.0p	0.0p	
L-17	IIF Kobe Logistics Center	5,125	+ 2,434	7,560	-	0.0%	7,560	4.6%	4.3%	4.7%	0.0p	0.0p	0.0p	
L-18	IIF Higashi Osaka Logistics Center	2,518	+ 721	3,240	+30	+ 0.9%	3,210	5.0%	4.7%	5.2%	(0.1p)	(0.1p)	0.0p	
L-19	IIF Kashiwa Logistics Center	1,844	+ 1,105	2,950	+60	+ 2.1%	2,890	4.8%	4.4%	4.9%	(0.1p)	(0.1p)	(0.1p)	
L-20	IIF Misato Logistics Center	3,446	+ 1,863	5,310	-	0.0%	5,310	4.3%	4.1%	4.4%	0.0p	0.0p	0.0p	
L-21	IIF Iruma Logistics Center	3,063	+ 1,096	4,160	(60)	(1.4%)	4,220	4.9%	4.4%	5.3%	(0.1p)	(0.1p)	(0.1p)	
L-22	IIF Tosu Logistics Center	1,505	+ 454	1,960	(10)	(0.5%)	1,970	5.1%	4.9%	5.2%	0.0p	0.0p	0.0p	
L-23	IIF Inzai Logistics Center	1,023	+ 346	1,370	-	0.0%	1,370	5.4%	5.2%	5.5%	0.0p	0.0p	0.0p	
L-24	IIF Morioka Logistics Center	578	+ 641	1,220	(20)	(1.6%)	1,240	5.9%	5.7%	6.0%	0.0p	0.0p	0.0p	
L-25	IIF Hiroshima Logistics Center	3,364	+ 1,135	4,500	(70)	(1.5%)	4,570	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	+ 240	4,420	(10)	(0.2%)	4,430	-	4.6%	-	-	0.0p	-	
L-27	IIF Izumisano Food Processing and Logistics Center	945	+ 144	1,090	-	0.0%	1,090	4.9%	4.5%	5.0%	0.0p	0.0p	0.0p	
L-28	IIF Kyotanabe Logistics Center	5,725	+ 1,664	7,390	+10	+ 0.1%	7,380	4.7%	4.4%	4.8%	0.0p	0.0p	0.0p	
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	914	+ 73	988	+7	+ 0.7%	981	-	5.6%	-	-	0.0p	-	
L-30	IIF Fukuoka Higashi Logistics Center	1,923	+ 126	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	8,689	+ 890	9,580	+20	+ 0.2%	9,560	4.1%	3.9%	4.3%	0.0p	0.0p	0.0p	
L-32	IIF Kazo Logistics Center	2,605	+ 154	2,760	-	0.0%	2,760	4.8%	4.5%	4.9%	0.0p	0.0p	0.0p	
L-33	IIF Hamura Logistics Center	917	+ 10	928	+20	+ 2.2%	908	4.5%	Until 3rd 4.4% From 4th to6th 4.5% After 7th 4.6%	4.7%	(0.1p)	Until 3rd (0.1p) From 4th to 6th (0.1p) After 7th (0.1p)	(0.1p)	
L-34	IIF Fukuoka Hakozaki Logistics Center I	5,191	+ 28	5,220	+10	+ 0.2%	5,210	4.6%	4.2%	4.6%	0.0p	0.0p	0.0p	
L-35	IIF Fukuoka Hakozaki Logistics Center II	10,279	+ 620	10,900	-	0.0%	10,900	4.6%	4.2%	4.6%	0.0p	0.0p	0.0p	
L-36	IIF Itabashi Logistics Center	1,754	+ 165	1,920	(10)	(0.5%)	1,930	4.3%	3.8%	4.3%	0.0p	0.0p	0.0p	
L-37	IIF Sendai Taiwa Logistics Center	1,589	+ 110	1,700	+30	+ 1.8%	1,670	5.3%	5.0%	5.6%	(0.1p)	(0.1p)	(0.1p)	

(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 Jan. 31, 2019

(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.

Appraisal Values (2) (As of January 31, 2019)

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) (Note 1)				Applied Rate (Note 1)						
				End of 23rd Period			End of 22nd 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	1,024	+ 135	1,160	-	0.0%	1,160	5.5%	Until 7th 5.4% After 8th 5.6%	5.7%	0.0p	0.0%	0.0p	
L-39	IIF Osaka Suminoe Logistics Center I	12,094	+ 2,005	14,100	+200	+ 1.4%	13,900	4.2%	4.3%	4.4%	(0.1p)	(0.1p)	(0.1p)	
L-40	IIF Osaka Suminoe Logistics Center II	2,568	+ 231	2,800	+70	+ 2.6%	2,730	4.3%	4.4%	4.5%	(0.1p)	(0.1p)	(0.1p)	
L-41	IIF Morioka Logistics Center II	1,378	+ 201	1,580	+10	+ 0.6%	1,570	5.9%	5.5%	5.9%	0.0p	0.0p	0.0p	
L-42	IIF Sapporo Logistics Center	2,516	+ 93	2,610	-	0.0%	2,610	5.0%	4.8%	5.2%	0.0p	0.0p	0.0p	
L-43	IIF Hitachinaka Port Logistics Center(land with leasehold interest)	1,193	+ 16	1,210	-	0.0%	1,210	4.5%	4.5%	-	0.0p	0.0p	-	
L-44	IIF Koriyama Logistics Center	2,583	+ 586	3,170	-	0.0%	3,170	5.6%	Until 7th 5.6% After 8th 5.7%	5.8%	0.0p	0.0p	0.0p	
L-45	IIF Kobe Nishi Logistics Center(land with leasehold interest)	2,047	+ 132	2,180	+50	+ 2.3%	2,130	-	Until 14th 4.5% After 15th 4.6%	4.7%	-	0.0p	0.0p	
Logistics Facilities Total		139,733	+ 39,891	179,625	+1,728	+ 1.0%	177,897							
F-1	IIF Totsuka Technology Center (land with leasehold interest)	4,553	+ 836	5,390	(10)	(0.2%)	5,400	-	5.0%	-	-	0.0p	-	
F-2	IIF Yokohama Tsuzuki Technology Center	1,209	+ 130	1,340	-	0.0%	1,340	5.6%	5.4%	5.8%	0.0p	0.0p	0.0p	
F-3	IIF Mitaka Card Center	9,350	+ 749	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	7,451	+ 948	8,400	-	0.0%	8,400	5.4%	5.1%	5.6%	0.0p	0.0p	0.0p	
F-6	IIF Kawasaki Science Center	2,039	+ 910	2,950	-	0.0%	2,950	5.3%	5.1%	5.5%	0.0p	0.0p	0.0p	
F-7	IIF Sagamihara R&D Center	3,278	+ 1,371	4,650	+690	+ 17.4%	3,960	5.7%	5.5%	5.9%	(0.1p)	0.0p	0.0p	
F-8	IIF Yokohama Shinyamashita R&D Center	3,872	+ 357	4,230	-	0.0%	4,230	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	-	0.0%	1,760	-	5.1%	-	-	0.0p	-	
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	1,345	+ 314	1,660	-	0.0%	1,660	4.8%	4.0%	5.1%	0.0p	0.0p	0.0p	
F-11	IIF Yokosuka Technology Center	4,205	+ 264	4,470	-	0.0%	4,470	5.6%	5.3%	5.7%	0.0p	0.0p	0.0p	
F-12	IIF Shonan Technology Center	1,307	+ 32	1,340	-	0.0%	1,340	5.2%	4.9%	5.3%	0.0p	0.0p	0.0p	
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	1,693	+ 166	1,860	+30	+ 1.6%	1,830	-	5.6%	-	-	(0.1p)	-	
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	2,413	+ 176	2,590	+10	+ 0.4%	2,580	4.6%	4.6%	-	0.0p	0.0p	-	
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	5,005	+ 264	5,270	-	0.0%	5,270	5.0%	5.0%	-	0.0p	0.0p	-	
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest) (Note 2)	NEW954	+ 365	1,320	-	0.0%	1,320	-	5.0%	-	-	0.0p	-	
Manufacturing and R&D Facilities Total		50,252	+ 7,077	57,330	+720	+ 1.3%	56,610							
I-1	IIF Kobe District Heating and Cooling Center	16,157	(1,457)	14,700	-	0.0%	14,700	4.4%	3.6%	4.6%	0.0p	0.0p	0.0p	
I-2	IIF Haneda Airport Maintenance Ceter	38,312	+ 2,987	41,300	+100	+ 0.2%	41,200	4.4%	3.5%	4.8%	0.0p	0.0p	0.0p	
I-3	IIF Zama IT Solution Center	5,115	+ 414	5,530	-	0.0%	5,530	7.2%	5.8%	7.8%	0.0p	0.0p	0.0p	
I-4	IIF Shinagawa Data Center	5,297	+ 1,572	6,870	+30	+ 0.4%	6,840	4.7%	4.8%	5.2%	0.0p	0.0p	0.0p	
I-5	IIF Osaka Toyonaka Data Center	5,570	+ 449	6,020	-	0.0%	6,020	6.2%	4.9%	5.4%	0.0p	0.0p	0.0p	
I-6	IIF Osaka Nanko IT Solution Center	1,212	+ 1,207	2,420	+10	+ 0.4%	2,410	6.3%	5.7%	6.8%	0.2p	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	7,918	(788)	7,130	+390	+ 5.8%	6,740	4.5%	4.1%	4.6%	0.0p	0.0p	0.0p	
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center(land with leasehold interest)	729	+ 24	754	+1	+ 0.1%	753	-	4.9%	-	-	0.0p	-	
Infrastructure Facilities Total		82,311	+ 4,652	86,964	+531	+ 0.6%	86,433							
Portfolio Total		272,297	+ 51,621	323,919	+2,979	+ 0.9%	320,940							

(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 Jan. 31, 2019.

(Note 2) Period-Over-period of "Appraisal Value" and applicable yields at the end of the 23rd fiscal period is the difference between appraisal value and the applicable yields at the time of acquisition.

Performance by Property (1)

(JPY mn)

Item	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II)		L11 (Atsugi II)		L12 (Yokohama Tsuzuki)	
	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days
Days																				
Rent	397	397	Not Disclosed	Not Disclosed	179	179	Not Disclosed	Not Disclosed	75	75	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Others	2	4			-	-			0	0										
Total rental business income	400	402			179	179			75	75										
Taxes and public dues	30	30			16	16			3	3										
Management expenses	0	0			0	0			0	0										
Repair expenses	0	3	Not Disclosed	Not Disclosed	-	0	Not Disclosed	Not Disclosed	0	0	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Insurance cost and trust fee	0	0			0	0			0	0										
Others	0	0			1	0			0	0										
Total rental business expenses	33	35	Not Disclosed	Not Disclosed	18	18	Not Disclosed	Not Disclosed	6	5	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
NOI	366	366			160	160			53	54										
Depreciation and amortization	43	43			11	11			32	32										
Rental business profit	323	323			148	149			21	21										
Total deposits (Ending balance)	1,219	1,219	Not Disclosed	Not Disclosed	84	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 (Atsugi III)		L16 (Kawaguchi)		L17 (Kobe)		L18 (Higashi Osaka)		L19 (Kashiwa)		L20 (Misato)		L21 (Iruma)		L22 (Tosu)	
	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days
Days																				
Rent	66	66	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
Others	0	0																		
Total rental business income	66	66																		
Taxes and public dues	3	2																		
Management expenses	0	0																		
Repair expenses	0	1	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
Insurance cost and trust fee	0	0																		
Others	1	2																		
Total rental business expenses	4	6	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
NOI	62	60																		
Depreciation and amortization	11	11																		
Rental business profit	50	48																		
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 (Izumotsu)		L27 (Izumisano)		L28 (Kyotanabe)		L29 (Fukuoka Koga)		L30 (Fukuoka Higashi)		L31 (Osaka Konohana)		L32 (Kazo)	
	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days
Days																				
Rent	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
Others																				
Total rental business income																				
Taxes and public dues																				
Management expenses																				
Repair expenses	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
Insurance cost and trust fee																				
Others																				
Total rental business expenses	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
NOI																				
Depreciation and amortization																				
Rental business profit																				
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)	
	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 146days	23rd 184days
Days																				
Rent																				
Others																				
Total rental business income																				
Taxes and public dues																				
Management expenses																				
Repair expenses																				
Insurance cost and trust fee																				
Others																				
Total rental business expenses																				
NOI	21	22	128	125	253	251	37	40	50	46	34	33	258	259	60	62	43	41	60	75
Depreciation and amortization	3	3	23	23	44	47	5	6	8	8	4	4	51	53	7	8	5	5	6	7
Rental business profit	17	18	105	101	208	204	31	34	41	38	30	29	206	205	52	53	38	36	54	68
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

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)	
	22nd 145days	23rd 184days	22nd 145days	23rd 184days	22nd 125days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days
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							16	16	8	8	47	47								
Management expenses							-	-	6	6	3	3								
Repair expenses							-	-	3	3	6	13								
Insurance cost and trust fee							0	0	0	0	0	0								
Others							0	0	0	0	1	1								
Total rental business expenses							17	17	19	19	59	66								
NOI	23	29	80	105	31	45	137	137	40	39	305	298	235	235	82	82	144	141	103	104
Depreciation and amortization	-	-	18	22	-	-	-	-	5	6	48	55	29	31	23	23	14	16	19	19
Rental business profit	23	29	61	83	31	45	137	137	34	33	257	242	205	203	58	58	129	124	83	84
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	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)		F15 (Tsukuba)		I1 (Kobe)		I2 (Haneda)	
	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 146days	23rd 184days	22nd 146days	23rd 184days	22nd 96days	23rd 184days	22nd 0days	23rd 21days	22nd 181days	23rd 184days	22nd 181days	23rd 184days
Days																				
Rent															-	-	332	332	1,413	1,414
Others															-	-	0	0	15	15
Total rental business income															-	-	332	332	1,428	1,429
Taxes and public dues															-	-	11	11	82	78
Management expenses															-	-	0	0	0	0
Repair expenses															-	-	9	1	-	-
Insurance cost and trust fee															-	-	1	1	4	4
Others															-	-	1	1	387	392
Total rental business expenses															-	-	23	15	475	476
NOI	42	42	37	37	147	142	44	39	46	58	52	65	71	132	-	4	309	317	952	953
Depreciation and amortization	-	-	-	-	12	12	3	3	-	-	-	-	-	-	-	-	132	132	244	246
Rental business profit	42	42	37	37	134	129	41	35	46	58	52	65	71	132	-	4	176	184	708	706
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	2,159	2,159	974	974

Item	I3 (Zama)		I4 (Shinagawa)		I5 (Osaka Toyonaka)		I6 (Osaka Nanko)		I7 (Nagoya Port)		I8 (Shinagawa ITSC)		I9 (Higashimatsuyama)		22nd (Actual)	23rd (Actual)
	22nd 181days	22nd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days	22nd 181days	23rd 184days		
Days																
Rent															9,239	9,393
Others															446	413
Total rental business income															9,686	9,806
Taxes and public dues															746	788
Management expenses															166	141
Repair expenses															97	92
Insurance cost and trust fee															38	38
Others															754	784
Total rental business expenses															1,803	1,844
NOI	201	201	181	174	191	215	71	73	62	62	202	109	18	18	7,882	7,961
Depreciation and amortization	35	35	35	40	28	28	9	9	-	-	38	39	-	-	1,331	1,365
Rental business profit	165	165	145	134	162	186	62	63	62	62	164	70	18	18	6,550	6,595
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	10,807	10,674

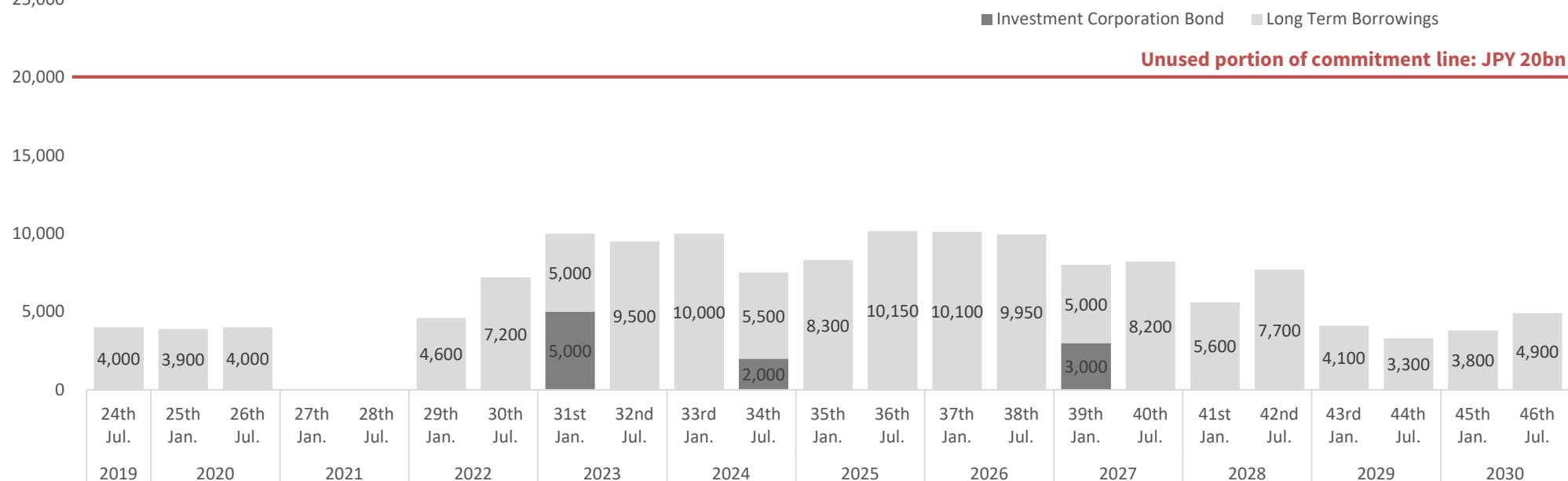
Debt Stability (1) (As of January 31, 2019)

■ Key Indices^(Note)

Average borrowing period	Fixed debt ratio	Weighted average interest rate	Issuer credit rating (JCR)
9.3 years	100.0%	0.95%	AA (Stable)

■ Diversification of Debt Maturities

(JPYmn)
25,000



(Note) Outstanding balance as of January 31, 2019 is described

Debt Stability (2) (As of January 31, 2019)

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)
	Lender	Breakdown	Total						
Long-term borrowing	MUFG Bank, Ltd.(Note 6)	1,085	1,500	Mar. 30, 2012	1.32375	Mar. 29, 2019	Fixed (Note 4)	7 years	0.2 years
	Sumitomo Mitsui Trust Bank, Limited(Note 6)	415			1.90500	Mar. 30, 2022	Fixed (Note 4)	10 years	3.2 years
	MUFG Bank, Ltd.	1,000	1,000		1.56100	Mar. 31, 2020	Fixed (Note 4)	8 years	1.2 years
	Mizuho Bank, Ltd.	1,500	1,500		2.22000	Mar. 29, 2024	Fixed	12 years	5.2 years
	Development Bank of Japan Inc.	1,000	1,000		1.90000	Mar. 29, 2022	Fixed	10 years	3.2 years
	Sumitomo Mitsui Banking Corporation	500	500		1.90500	Mar. 31, 2022	Fixed (Note 4)	10 years	3.2 years
	Sumitomo Mitsui Banking Corporation(Note 6)	1,500	1,500	Jun. 29, 2012	1.32375	Mar. 29, 2019	Fixed (Note 4)	7 years	0.2 years
	Nippon Life Insurance Company	1,000	1,000		1.42000	Jun. 30, 2020	Fixed	8 years	1.4 years
	MUFG Bank, Ltd.(Note 6)	583	583		1.17500	Jun. 28, 2019	Fixed (Note 4)	7 years	0.4 years
	Sumitomo Mitsui Banking Corporation(Note 6)	417	417		1.17500	Jun. 28, 2019	Fixed (Note 4)	7 years	0.4 years
	MUFG Bank, Ltd.(Note 6)	2,274	2,274		1.15750	Sep. 30, 2019	Fixed (Note 4)	7 years	0.7 years
	Sumitomo Mitsui Banking Corporation(Note 6)	1,626	1,626		1.15750	Sep. 30, 2019	Fixed (Note 4)	7 years	0.7 years
	Development Bank of Japan Inc.	1,000	1,000	Sep. 28, 2012	1.83000	Feb. 5, 2025	Fixed	12 years	6.0 years
	MUFG Bank, Ltd.	2,534			1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.0 years
	Sumitomo Mitsui Trust Bank, Limited	966	3,500		1.29000	Feb. 6, 2023	Fixed	10 years	4.0 years
	MUFG Bank, Ltd.	1,000	1,000		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.0 years
	Sumitomo Mitsui Banking Corporation	500	500		1.48980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.0 years
	Mizuho Bank, Ltd.	1,000	1,000		1.55000	Feb. 6, 2023	Fixed	10 years	4.0 years
	Nippon Life Insurance Company	500	500	Feb. 6, 2013	1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	4.0 years
	Shinsei Bank, Ltd.	500	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	3.0 years
	MUFG Bank, Ltd.	362	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	3.0 years
	Sumitomo Mitsui Trust Bank, Limited	138			1.75000	Jun. 28, 2024	Fixed	11 years	5.4 years
	Sumitomo Mitsui Banking Corporation	500	500		1.68475	Jun. 30, 2023	Fixed (Note 4)	10 years	4.4 years
	Nippon Life Insurance Company	2,000	2,000		1.64650	Jun. 30, 2022	Fixed (Note 4)	9 years	3.4 years
	Sumitomo Mitsui Trust Bank, Limited	2,500	2,500	Jun. 28, 2013	1.24050	Jun. 30, 2020	Fixed (Note 4)	7 years	1.4 years
	Mizuho Bank, Ltd.	1,500	1,500		1.40200	Oct. 18, 2023	Fixed (Note 4)	10 years	4.7 years
	Nomura Trust and Banking Co., Ltd.	500			1.38025	Dec. 29, 2023	Fixed (Note 4)	10 years	4.9 years
	Resona Bank, Ltd.	500	1,500		1.31000	Aug. 6, 2024	Fixed	10.5 years	5.5 years
	THE YAMAGUCHI BANK, Ltd.	500			1.24100	Feb. 6, 2024	Fixed (Note 4)	10 years	5.0 years
	MUFG Bank, Ltd.	7,500	7,500		1.14000	Aug. 4, 2023	Fixed	9.5 years	4.5 years
	Sumitomo Mitsui Banking Corporation	2,000	2,000	Oct. 18, 2013	1.03150	Aug. 5, 2022	Fixed (Note 4)	8.5 years	3.5 years
	MUFG Bank, Ltd.	700	700		0.92790	Feb. 4, 2022	Fixed (Note 4)	8 years	3.0 years
	Sumitomo Mitsui Banking Corporation	900	900		1.67000	Mar. 13, 2026	Fixed	12 years	7.1 years
	THE YAMAGUCHI BANK, Ltd.	500	500						
	THE NISHI-NIPPON CHITIBANK, LTD.	500	500						
	MUFG Bank, Ltd.	868	1,200						
	Sumitomo Mitsui Trust Bank, Limited	331		Feb. 6, 2014					
	Development Bank of Japan Inc.	1,000	1,000						

(Note 1) Outstanding balance as of Jan. 31, 2019 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 Mar. 13, 2019.

(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 Jan. 31, 2019. The average is calculated by weighting the remaining term of each borrowing according to the borrowing amount

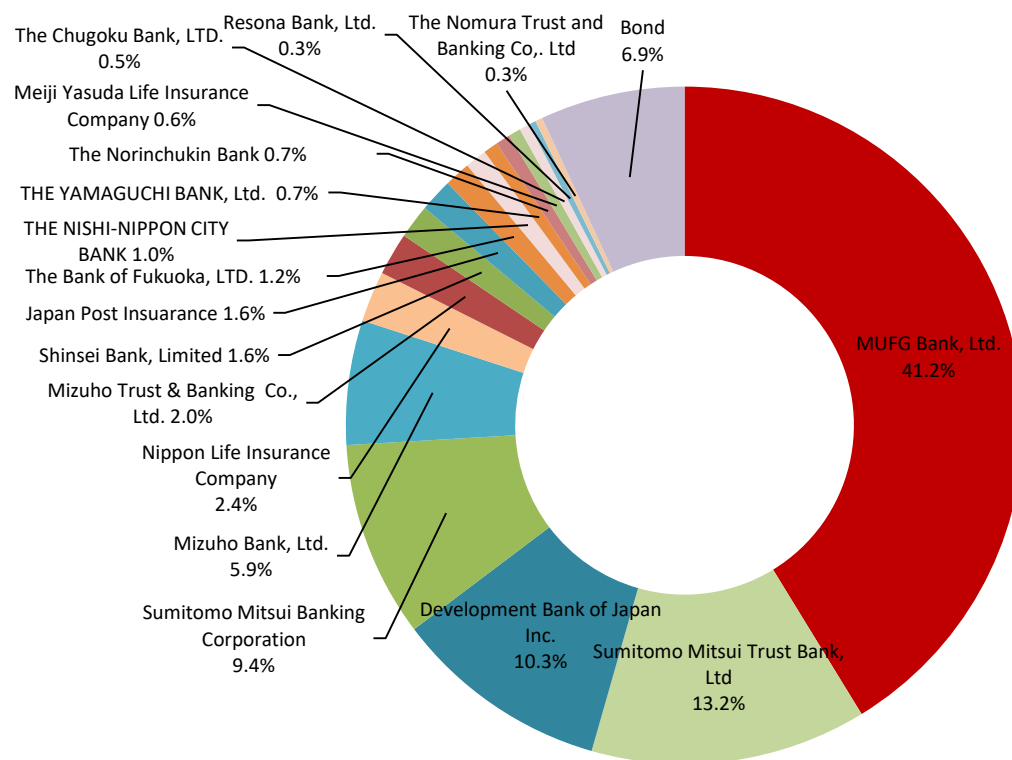
(Note 6) Long term borrowing includes a current portion of long term borrowings which will reach maturity within one year

	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.	724	1,000	Mar. 13, 2014	1.68675	Mar. 13, 2026	Fixed (Note 4)	12 years	7.1 years
	Sumitomo Mitsui Trust Bank, Limited	276			1.27175	Mar. 13, 2024	Fixed (Note 4)	10 years	5.1 years
	MUFG Bank, Ltd.	1,158	1,600		0.98000	Mar. 14, 2025	Fixed	10 years	6.1 years
	Sumitomo Mitsui Trust Bank, Limited	441			1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	6.1 years
	MUFG Bank, Ltd.	1,350	1,350		1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	6.1 years
	Shinsei Bank, Ltd.	850	850	Mar. 16, 2015	0.92990	Sep. 13, 2024	Fixed (Note 4)	9.5 years	5.6 years
	Mizuho Trust & Banking Co., Ltd.	850	850		0.66090	Sep. 15, 2022	Fixed (Note 4)	7.5 years	3.6 years
	MUFG Bank, Ltd.	2,570	3,550		1.26000	Mar. 31, 2027	Fixed	12 years	8.2 years
	Sumitomo Mitsui Trust Bank, Limited	979			1.19000	Mar. 31, 2026	Fixed	11 years	7.2 years
	The Chugoku Bank, Limited.	700	700		0.98000	Mar. 31, 2025	Fixed	10 years	6.2 years
	Development Bank of Japan Inc.	1,000	1,000	Mar. 31, 2015	0.91900	Sep. 30, 2024	Fixed (Note 4)	9.5 years	5.7 years
	Meiji Yasuda Life Insurance Company	850	850		0.54500	Mar. 31, 2026	Fixed (Note 4)	10 years	7.2 years
	Sumitomo Mitsui Trust Bank, Limited	1,500	1,500		0.50130	Mar. 31, 2026	Fixed	10 years	7.2 years
	MUFG Bank, Ltd.	832	1,150		0.44000	Aug. 31, 2026	Fixed	10 years	7.6 years
	Sumitomo Mitsui Trust Bank, Limited	317			0.48500	Aug. 15, 2025	Fixed	8.5 years	6.5 years
	Mizuho Bank, Ltd.	800	800	Apr. 15, 2016	0.62977	Mar. 6, 2026	Fixed	9 years	7.1 years
	The Bank of Fukuoka, LTD.	800	800		0.67606	Sep. 4, 2026	Fixed	9.5 years	7.6 years
	MUFG Bank, Ltd.	2,000	2,000		0.49750	Mar. 6, 2025	Fixed	8 years	6.1 years
	MUFG Bank, Ltd.	1,600	1,600		0.60233	Sep. 17, 2025	Fixed	8.5 years	6.6 years
	MUFG Bank, Ltd.	3,255	4,500		0.53000	Mar. 17, 2026	Fixed	9 years	7.1 years
	Sumitomo Mitsui Trust Bank, Limited	1,244		Mar. 6, 2017	0.86600	Mar. 16, 2029	Fixed	12 years	10.1 years
	MUFG Bank, Ltd.	2,170	3,000		0.50500	Mar. 17, 2025	Fixed	8 years	6.1 years
	Sumitomo Mitsui Trust Bank, Limited	829			0.63300	Mar. 17, 2027	Fixed	10 years	8.1 years
	Sumitomo Mitsui Trust Bank, Limited	1,500	1,500		0.68000	Mar. 17, 2027	Fixed	10 years	8.1 years
	MUFG Bank, Ltd.	2,099	2,900		0.68000	Mar. 17, 2027	Fixed	10 years	8.1 years
	Sumitomo Mitsui Trust Bank, Limited	800		Mar. 17, 2017	0.50500	Mar. 17, 2025	Fixed	8 years	6.1 years
	MUFG Bank, Ltd.	1,000	1,000		0.57171	Sep. 30, 2025	Fixed	8.5 years	6.7 years
	Development Bank of Japan Inc.	1,000	1,000		0.65500	Mar. 31, 2027	Fixed	10 years	8.2 years
	Sumitomo Mitsui Banking Corporation	1,500	1,500		0.48500	Mar. 31, 2025	Fixed	8 years	6.2 years
	Mizuho Bank, Ltd.	1,000	1,000		0.65500	Mar. 31, 2027	Fixed	10 years	8.2 years
	THE NISHI-NIPPON CHITIBANK, LTD.	1,000	1,000	Mar. 31, 2017	0.83800	Mar. 30, 2029	Fixed	12 years	10.2 years
	Mizuho Trust & Banking Co., Ltd.	1,000	1,000		0.63500	Mar. 31, 2027	Fixed	10 years	8.2 years
	The Bank of Fukuoka, LTD.	1,000	1,000						
	The Norinchukin Bank	1,000	1,000						
	MUFG Bank, Ltd.	4,054	5,600						
	Sumitomo Mitsui Trust Bank, Limited	1,545							
	MUFG Bank, Ltd.	1,000	1,000	Mar. 31, 2017					
	Sumitomo Mitsui Banking Corporation	600	600						
	Shinsei Bank, Ltd.	1,000	1,000						
	Development Bank of Japan Inc.	1,300	1,300						
	Mizuho Bank, Ltd.	1,200	1,200						

Debt Stability (3) (As of January 31, 2019)

	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.	2,791	3,800	Sep. 29, 2017	0.34451	Sep. 30, 2022	Fixed	5 years	3.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,009							
	MUFG Bank, Ltd.	2,938	4,000		0.67599	Sep. 30, 2027	Fixed	10 years	8.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,062							
	MUFG Bank, Ltd.	2,791	3,800		0.86109	Sep. 30, 2029	Fixed	12 years	10.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,009							
	MUFG Bank, Ltd.	2,099	2,900	Feb. 1, 2018	0.48077	Aug. 1, 2024	Fixed	6.5 years	5.5 years
	Sumitomo Mitsui Trust Bank, Limited	800							
	JAPAN POST INSURANCE Co., Ltd.	2,300	2,400		0.88100	Feb. 1, 2030	Fixed	12 years	11.0 years
	Sumitomo Mitsui Trust Bank, Limited	100							
	Mizuho Bank, Ltd.	700	700		0.67900	Feb. 1, 2028	Fixed	10 years	9.0 years
	Development Bank of Japan Inc.	2,500	2,500		0.70100	Aug. 31, 2028	Fixed	10.5 years	9.6 years
	Development Bank of Japan Inc.	2,500	2,500	Feb. 27, 2017	0.85000	Feb. 28, 2030	Fixed	12 years	11.1 years
	Development Bank of Japan Inc.	400	400		0.69600	Sep. 7, 2028	Fixed	10.5 years	9.6 years
	Sumitomo Mitsui Banking Corporation	400	400		0.59800	Sep. 7, 2027	Fixed	9.5 years	8.6 years
	Mizuho Bank, Ltd.	400	400		0.64600	Mar. 7, 2028	Fixed	10 years	9.1 years
	Mizuho Trust & Banking Co., Ltd.	1,100	1,100		0.64600	Mar. 7, 2028	Fixed	10 years	9.1 years
	MUFG Bank, Ltd.	1,808	2,500	Mar. 7, 2017	0.34085	Sep. 9, 2021	Fixed	3.5 years	2.6 years
	Sumitomo Mitsui Trust Bank, Limited	692							
	MUFG Bank, Ltd.	3,618	5,000		0.70243	Mar. 9, 2028	Fixed	10 years	9.1 years
	Sumitomo Mitsui Trust Bank, Limited	1,382							
	MUFG Bank, Ltd.	724	1,000		0.80315	Mar. 9, 2029	Fixed	11 years	10.1 years
	Sumitomo Mitsui Trust Bank, Limited	276							
	MUFG Bank, Ltd.	796	1,100	Mar. 30, 2018	0.33529	Sep. 30, 2021	Fixed	3.5 years	2.7 years
	Sumitomo Mitsui Trust Bank, Limited	303							
	MUFG Bank, Ltd.	434	600		0.63050	Sep. 30, 2027	Fixed	9.5 years	8.7 years
	Sumitomo Mitsui Trust Bank, Limited	165							
	Development Bank of Japan Inc.	1,200	1,200		0.67500	Sep. 29, 2028	Fixed	10.5 years	9.7 years
	Sumitomo Mitsui Banking Corporation	1,000	1,000		0.29800	Sep. 30, 2021	Fixed	3.5 years	2.7 years
	Sumitomo Mitsui Banking Corporation	600	600	Mar. 31, 2028	0.57800	Sep. 30, 2027	Fixed	9.5 years	8.7 years
	Mizuho Bank, Ltd.	500	500		0.62500	Mar. 31, 2028	Fixed	10 years	9.2 years
Investment corporation bonds	Second series unsecured investment corporation bonds	5,000	5,000	Dec. 27, 2012	1.40000	Dec. 27, 2022	Fixed	10 years	3.9 years
	Third series unsecured investment corporation bonds	2,000	2,000	Jun. 26, 2014	0.89000	Jun. 26, 2024	Fixed	10 years	5.4 years
	Fourth series unsecured investment corporation bonds	3,000	3,000	Dec. 26, 2016	0.40000	Dec. 25, 2026	Fixed	10 years	7.9 years
Total / Average		144,800	144,800		0.95			9.3 years	6.0 years

Breakdown of Lender Formation



(Note 1) Outstanding balance as of Jan. 31, 2019 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 Mar. 13, 2019.

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

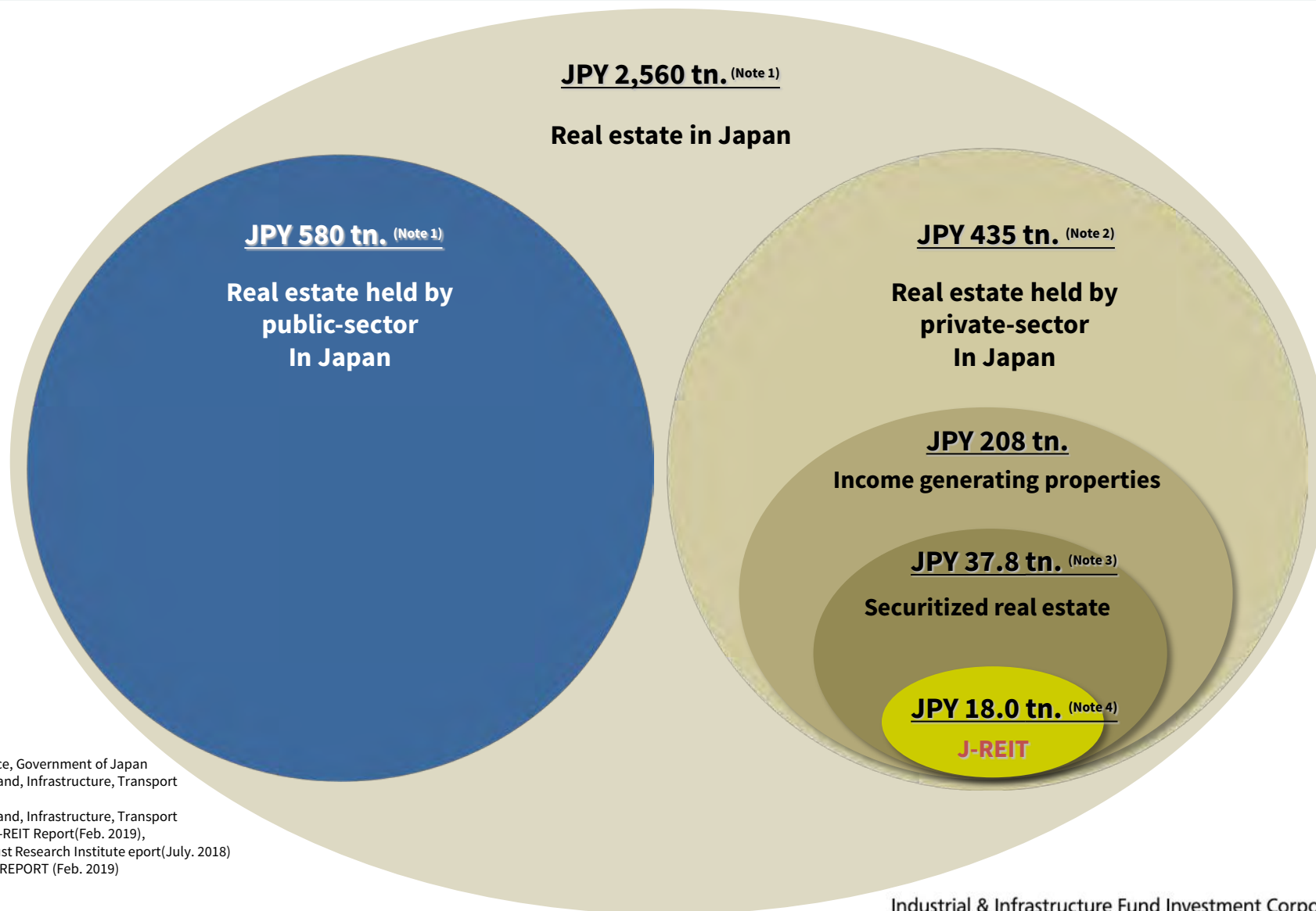
(Note 5) The remaining term for the existing borrowing is calculated with the base date as of Jan. 31, 2019.

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 which will reach maturity within one year

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

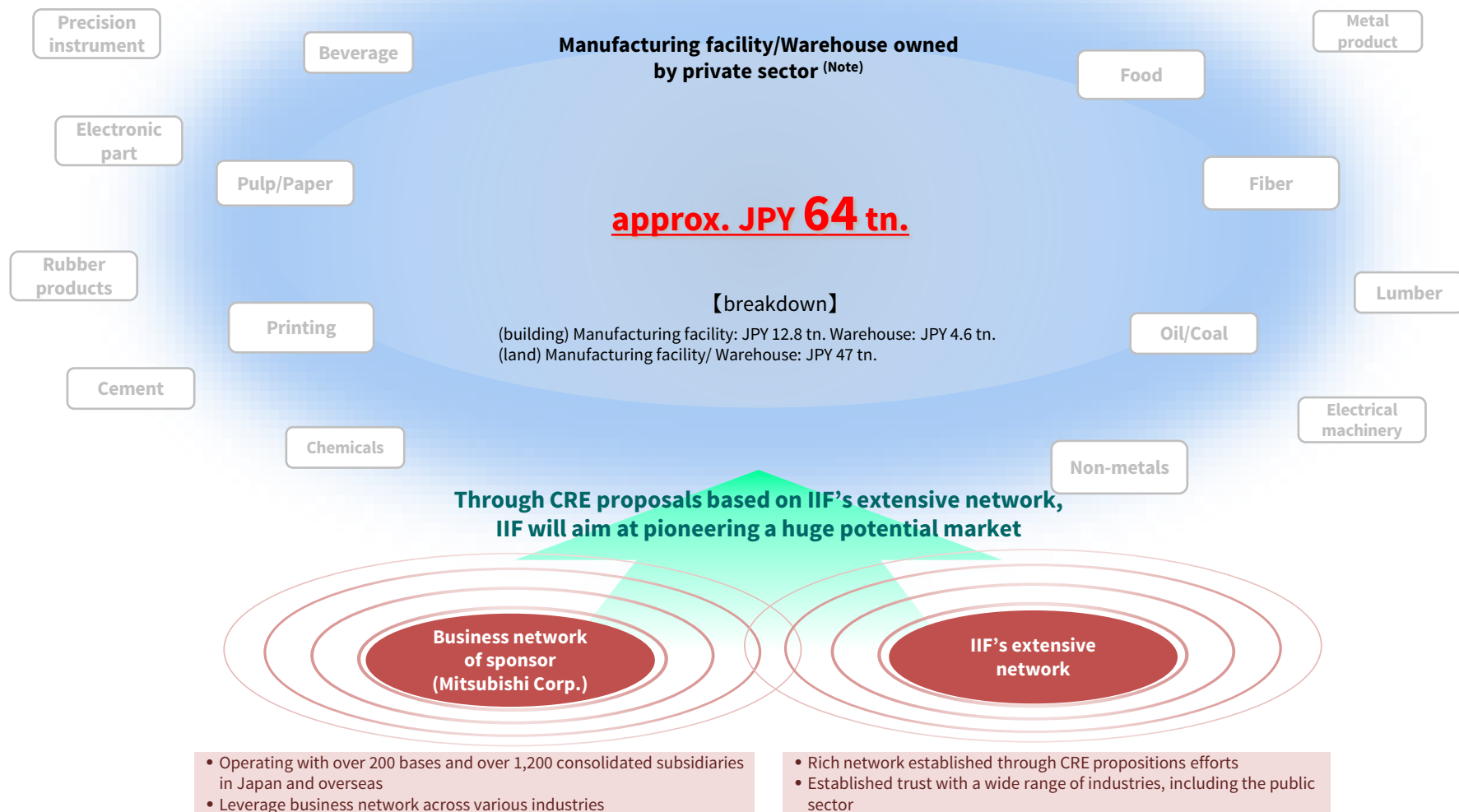
(Note3) Source: Ministry of Land, Infrastructure, Transport and Tourism, ARES J-REIT Report(Feb. 2019), Sumitomo Mitsui Trust Research Institute report(July. 2018)

(Note4) Source: ARES J-REIT REPORT (Feb. 2019)

Potentials of Manufacturing Facility Investments

Continuously lead acquisition of the high potential manufacturing facility market

Beginning of manufacturing-facility assets securitization, where large potential market lies

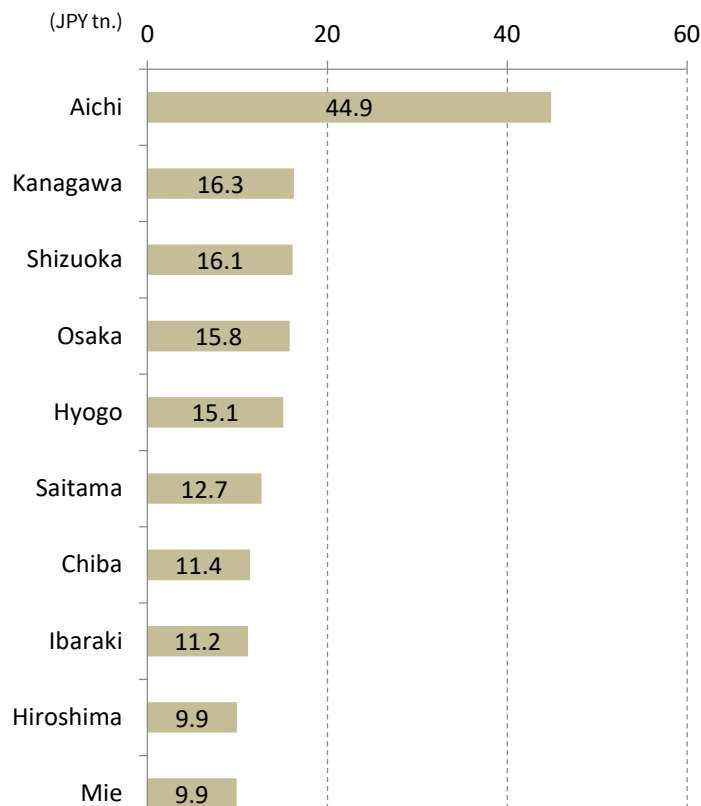


(Note) Source : Ministry of Land, Infrastructure, Transport and Tourism

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

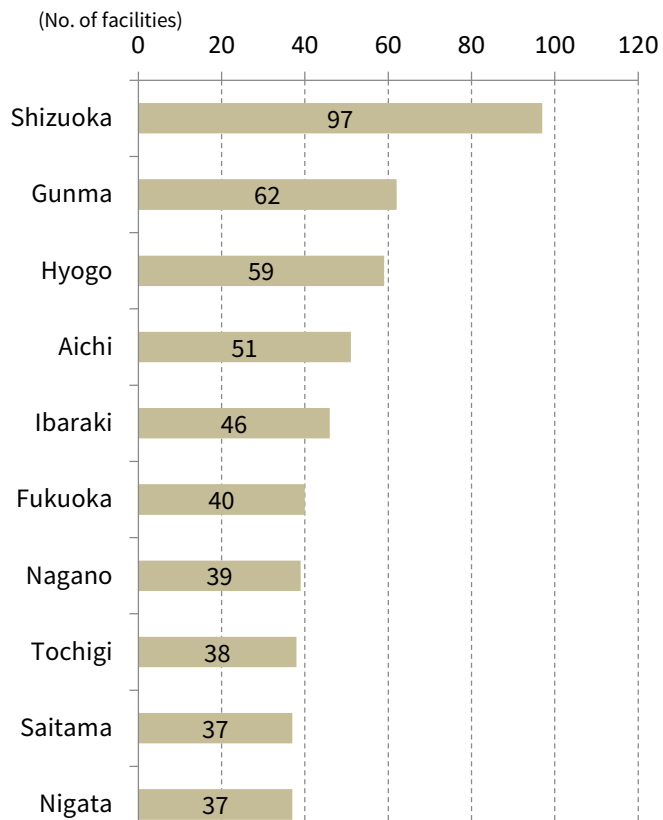


(Source) Ministry of Economy, Trade and Industry, "Census of Manufacture", 2017

(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 2017 is concentrated in land areas of Tokai region and Northern Kanto region



(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2017 Preliminary Report (January–December)"

(Note) Only includes sites throughout Japan with ground area of 1,000 m² 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	167
Land price	144
A lot in an industrial park	122
Proximity to markets	70
Aid from national/local governments	93
Proximity of affiliated companies	69
Less limitation due to surrounding environment	92
Access to labor/talents	99
Access to expressway	87
Sincerity/enthusiasm/speed of local government	85
Access to raw materials	42
Access to distribution and service-industry operations	18
Personal contact with other managers	20
Access to industrial water supply	28
Access to airport, seaport, and rail	23
Share location with other companies	9
Developed academic research institute	5
Others	52

Reasons to choose locations in Japan rather than abroad

	(No. of responses)
Access to good labor	17
Access to raw materials	14
Proximity to markets	17
Proximity of affiliated companies	26
Aid/cooperation from national/local government	17
Political stability and security	6
Organized industrial foundation	3
Developed service-industry operations for the location	1
Developed academic research institute	0
Organized distribution system	4
Care for intellectual property right	2
Others	7











(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2017 Preliminary Report (January–December)"



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IIF's Main Manufacturing and R&D Facilities

■ Acquisition of “Manufacturing and R&D Facilities” greatly enhance “DPU Growth”, “NAV Growth” and “Stable DPU”

	Portfolio				NOI Yield (NOI Yield after Depreciation) DPU Growth	1. Acquisition Price (million yen)	2. Appraisal Value NAV Growth	Contract Term (Remaining Term) Stable DPU
	Name of Property	Pictures	Date of Acquisition	Type of Ownership				
Manufacturing Facilities	Development Project IIF Atsugi Manufacturing Center (land with leasehold interest)		2018/4	Land Building Under Development	5.0% (5.0%)	4,940	5,270 (+5.3%)	31.2 years (30.4 years)
	IIF Totsuka Manufacturing Center (land with leasehold interest)		2018/3	Land	5.0% (5.0%)	2,300	2,590 (+7.3%)	50.0 years (49.1 years)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)		2018/3	Land	6.2% (6.2%)	1,608	1,860 (+9.9%)	20.0 years (18.2 years)
	IIF Yokosuka Technology Center		2017/2	Land & Building	7.1% (6.5%)	4,000	4,470 (+6.3%)	10.0 years (7.6 years)
	IIF Shonan Technology Center		2017/2	Land & Building	6.6% (6.0%)	1,200	1,340 (+2.5%)	10.0 years (7.6 years)
	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)		2016/3	Land	5.7% (5.7%)	1,300	1,660 (+23.4%)	49.0 years (46.2 years)
R&DC	IIF Sagamihara R&D Center		2015/3	Land & Building	9.1% (8.0%)	3,100	4,650 (+41.8%)	10.0 years (8.8 years)
	Development Project IIF Kawasaki Science Center		Land 2013/2 Build. 2014/5	Land & Building	7.6% (5.4%)	2,168	2,950 (+44.7%)	15.0 years (10.3 years)
	IIF Yokohama Tsuzuki Technology Center		2010/12	Land & Building	7.3% (6.2%)	1,100	1,340 (+10.8%)	22.0 years (11.7 years)
	IIF Totsuka Technology Center (land with leasehold interest)		2010/3	Land	6.1% (6.1%)	4,500	5,400 (+18.4%)	30.0 years (21.2 years)
(Reference) Portfolio Total					5.8% (4.8%)	275,663	323,919 (+19.0%)	16.0 years (8.7 years)

IIF's Main Land with Leasehold Interest

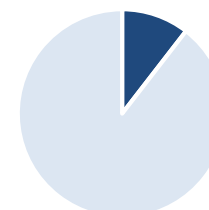
■ Mainly acquire land and property for all asset type but also invest in land with leasehold interest in accordance with versatility of property

	Portfolio			NOI Yield (NOI Yield after Depreciation) <div>DPU Growth</div>	1. Acquisition Price (million yen)	2. Appraisal Value <div>NAV Growth</div>	3. Land Price	Contract Term (Remaining Term) <div>Stable DPU</div>
	Name of Property		Date of Acquisition					
Logistics	IIF Narashino Logistics Center (land with leasehold interest)		2010/2	6.4% (6.4%)	1,190	2, 810 (+129.6%)	3,050 (+156.3%)	20.0 years (2.6 years)
Infra- structure	IIF Nagoya Port Tank Terminal (land with leasehold interest)		2014/2	6.6% (6.6%)	1,900	2,240 (+12.1%)	2,320 (+22.1)	49.9 years (45.0 years)
R&DC	IIF Totsuka Technology Center (land with leasehold interest)		2010/3	6.1% (6.1%)	4,500	5,390 (+18.4%)	5,240 (+16.4%)	30.0 years (21.2 years)
Manu- facturing	IIF Totsuka Manufacturing Center (land with leasehold interest)		2018/3	5.0% (5.0%)	2,300	2,590 (+7.3%)	3,070 (+33.5%)	50.0 years (49.1 years)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)		2018/3	6.2% (6.2%)	1,608	1,860 (+9.9%)	1,990 (+23.7%)	20.0 years (18.2 years)
	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)		2016/3	5.7% (5.7%)	1,300	1,660 (+23.4%)	1,740 (+33.8%)	49.0 years (46.2 years)

Versatility of Manufacturing Facility: Key Consideration Points

- (1) Building specifications such as facility equipment and floor load
- (2) Potential usability with versatile specifications for other industrial tenants
- (3) Possibility of conversion to other asset type such as a logistics facility, etc.

Total Portfolio Acquisition Price
275.6B in Portfolio Total



<Land with leasehold interest>
JPY 28.8B
Inv. Ratio 10.4%

IIF's Proactive Approach to Manufacturing and R&D Facilities Investment Risks(1)

- Secure long-term yield spread by “long-term lease” and “long-term fixed borrowing” for investments in assets with low liquidity

《Main Risk Factors》

- Liquidity risk due to few transaction precedents
- Leasing risk associated with tenant leaving
- Tapering risk towards future inflation

《IIF's Risk Measures》

- Stabilize cash flow with long term lease until risk premium becomes low due to by increase in number of transaction and liquidity enhancement

- Promote long-term fixed borrowings to mitigate the tapering risk towards future inflation

《Asset》

Sustainability
(Stability: Long-term Contract)

Versatility
(Location / Building)

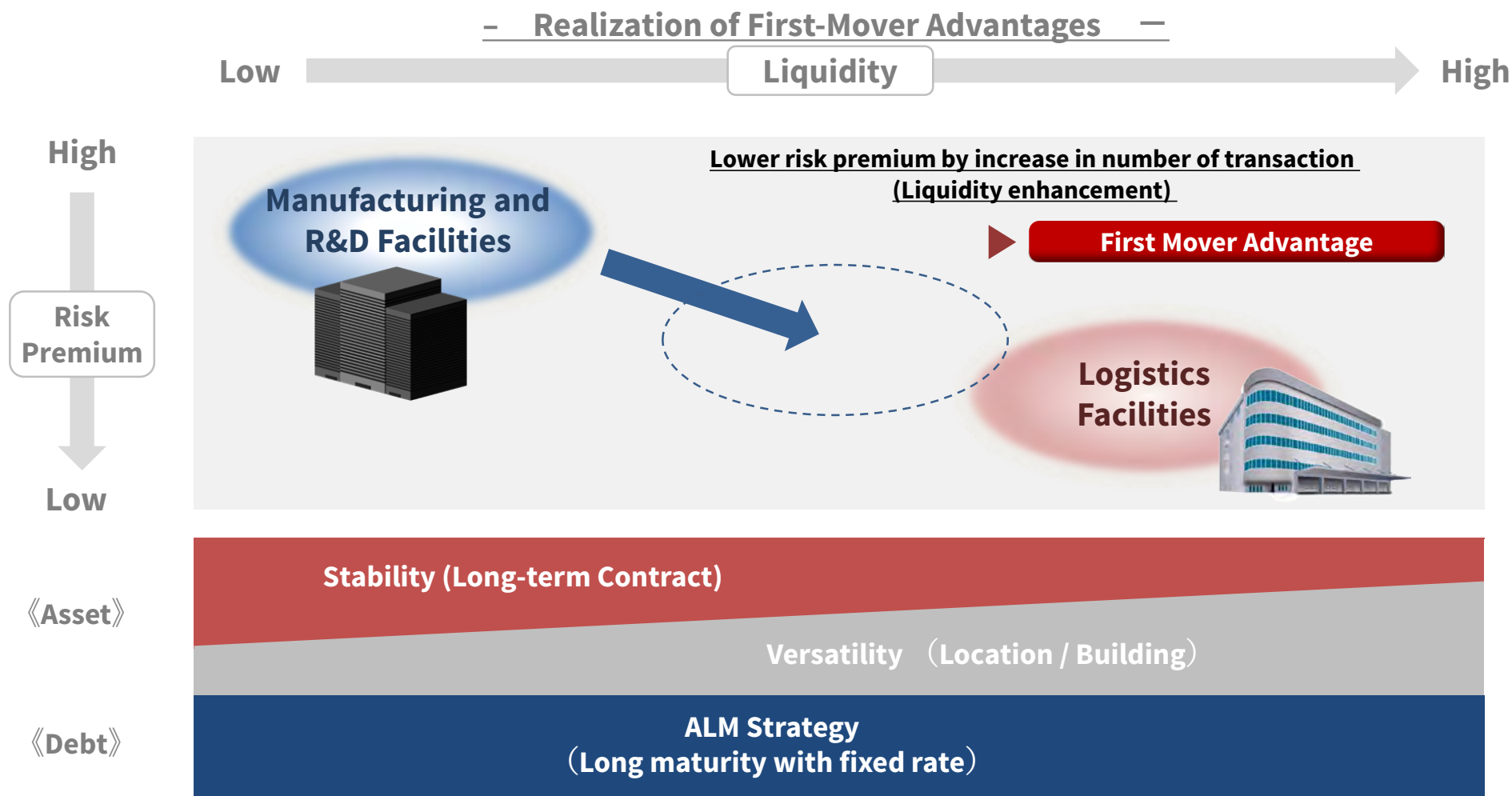
《Debt》

ALM Strategy
(Long maturity with fixed rate)

IIF's Proactive Approach to Manufacturing and R&D Facilities Investment Risks(2)

- Gain first-mover advantage with expectation of increasing liquidity and lowering risk premium for manufacturing and R&D facilities in the future

※Image of risk measures until risk premium is lowered





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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 (239 institutional investors accepted)^(Note 1)

Increasing focus on ROE

Quantitative target requirements

“Corporate Governance Code”^(Note2)

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)^(Note 3)

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 December 14, 2018.

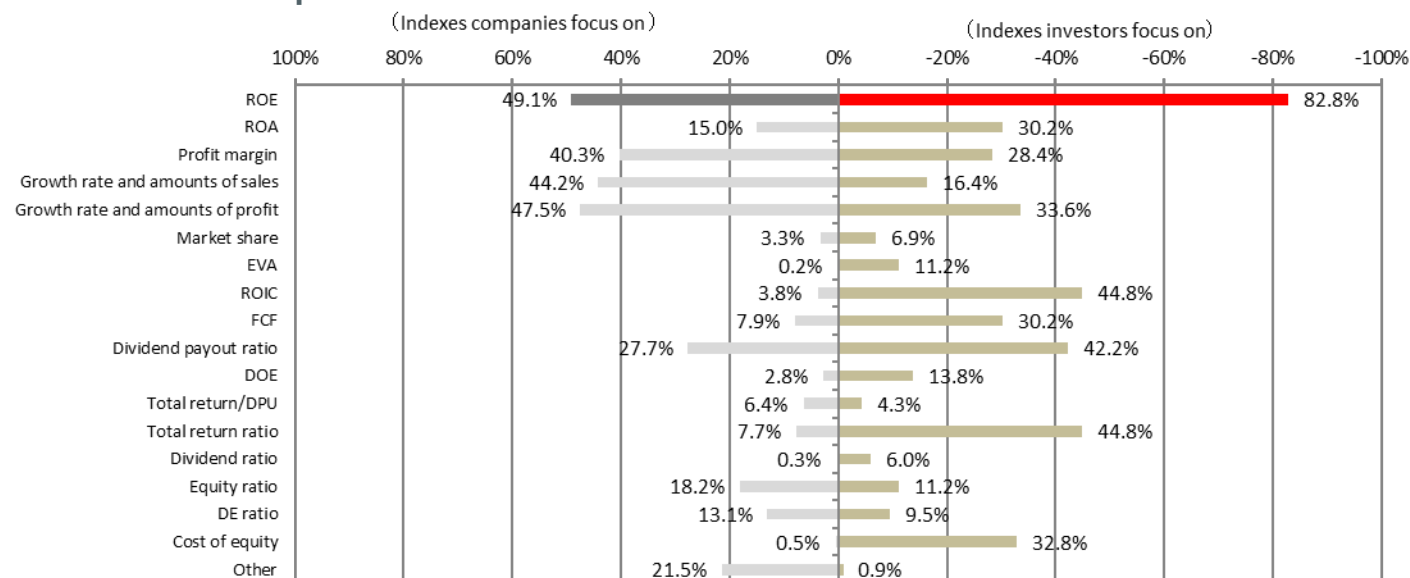
(Note 2) Corporate Governance Code refers to the policy established by Tokyo Stock Exchange and was implemented in June 2015 as a guide to basic corporate governance practice for the listed companies.

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

Potential for CRE (2)

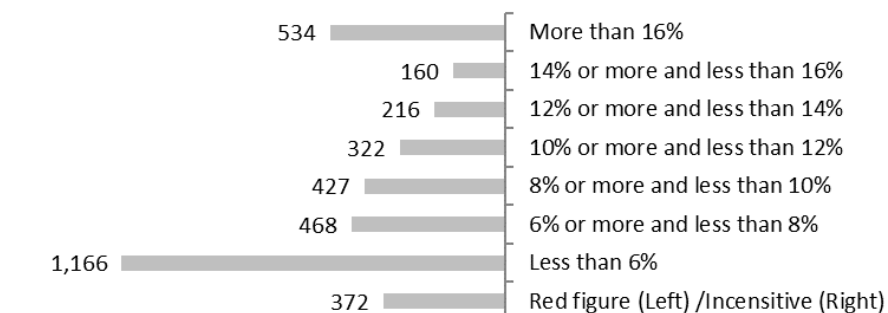
Increasing focus on CRE from capital market

■ Important indexes for companies



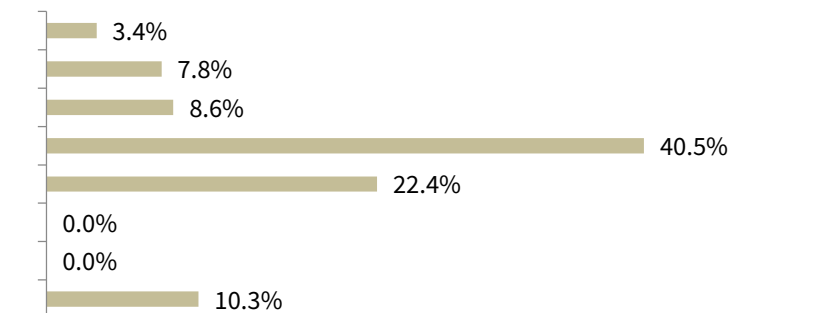
■ Ideal ROE target in the medium-to-long term

ROE target range of Japanese companies



(Source) 2017 survey by the Life Association of Japan

ROE target investors want



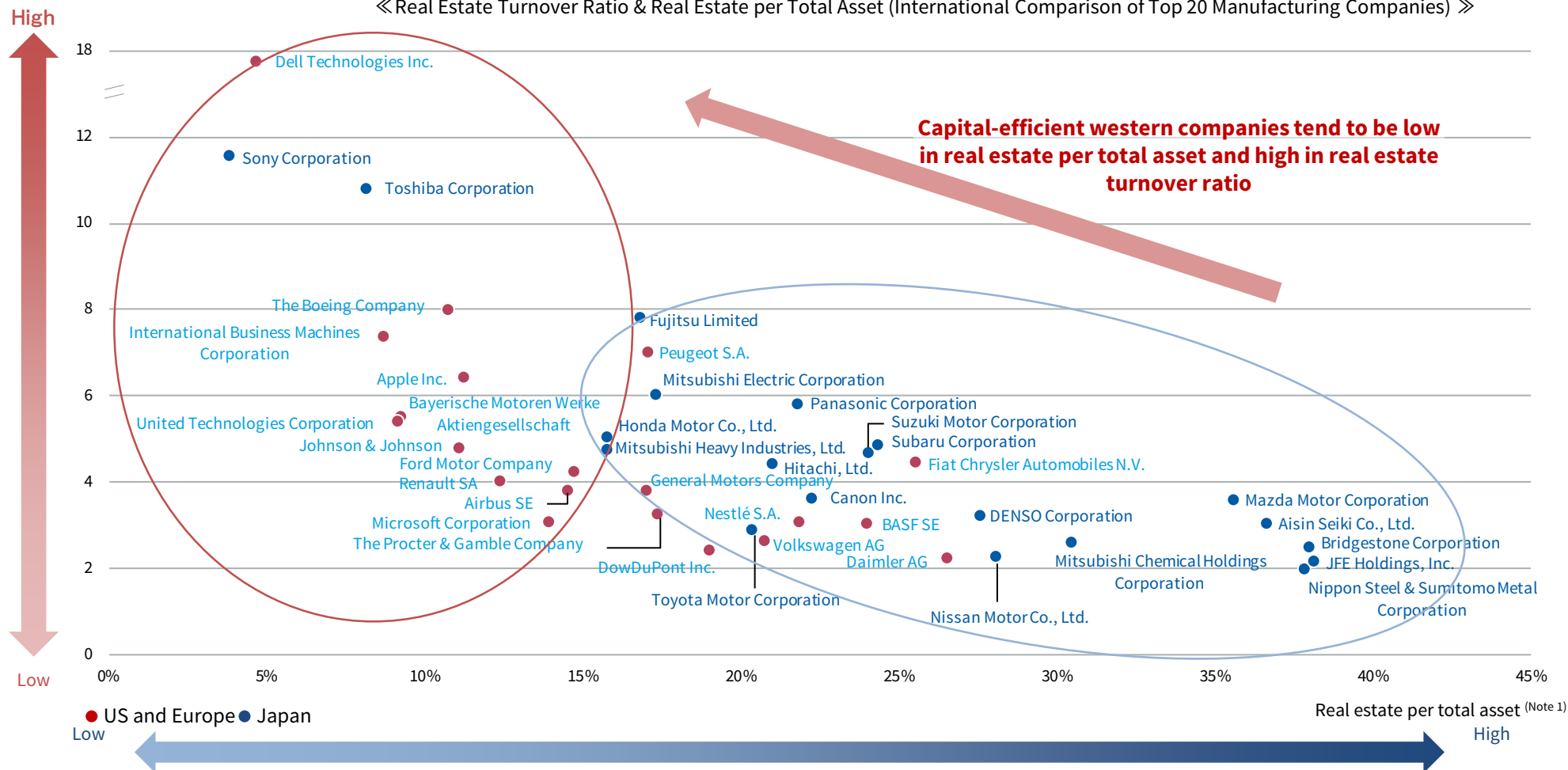
Potential for CRE (3)

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 1)

«Real Estate Turnover Ratio & Real Estate per Total Asset (International Comparison of Top 20 Manufacturing Companies)»



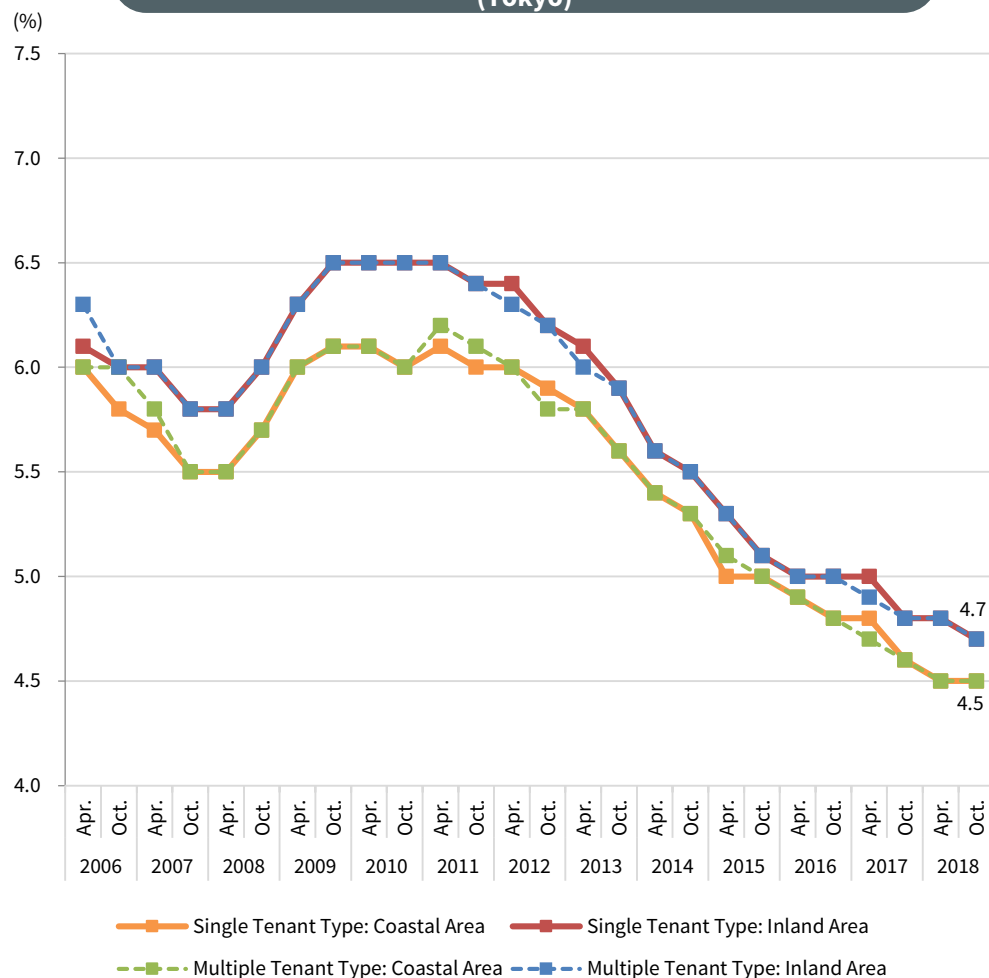
(Source) Prepared by the Asset Manager based on Capital IQ

(Note 1) 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

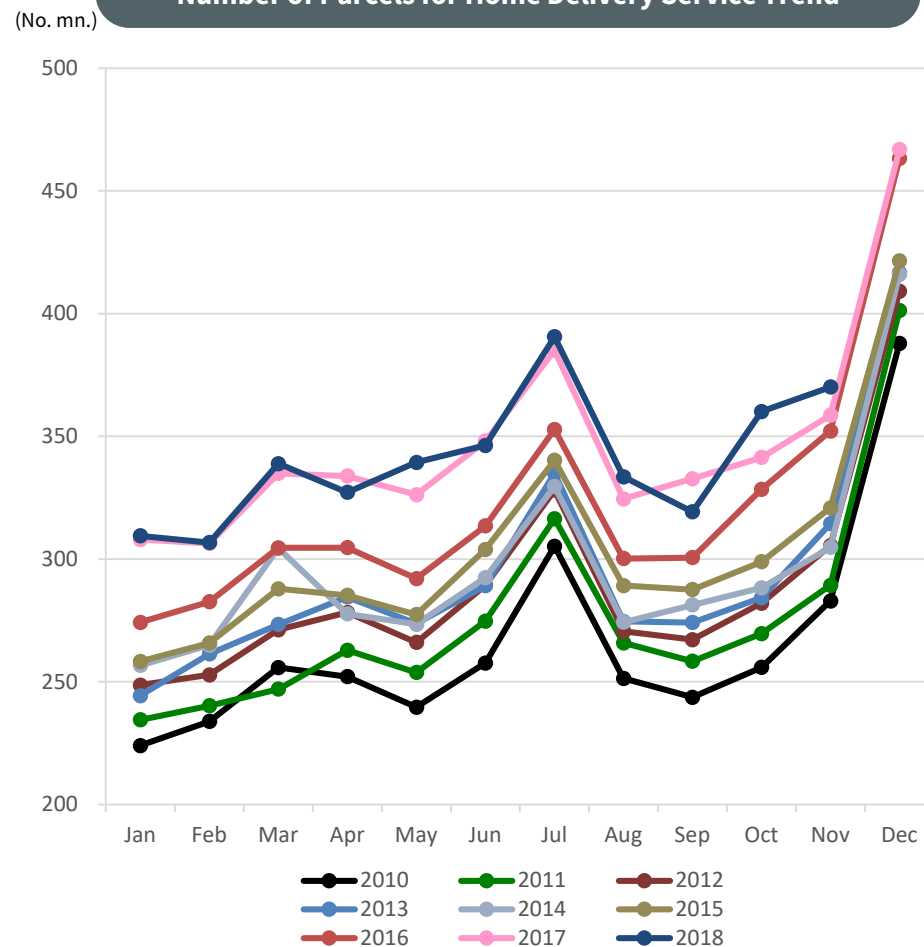
Expected Cap Rate of Logistics Properties and Warehouses (Tokyo)



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

■ Number of parcels for home delivery service increasing due to expanding mail-order business

Number of Parcels for Home Delivery Service Trend



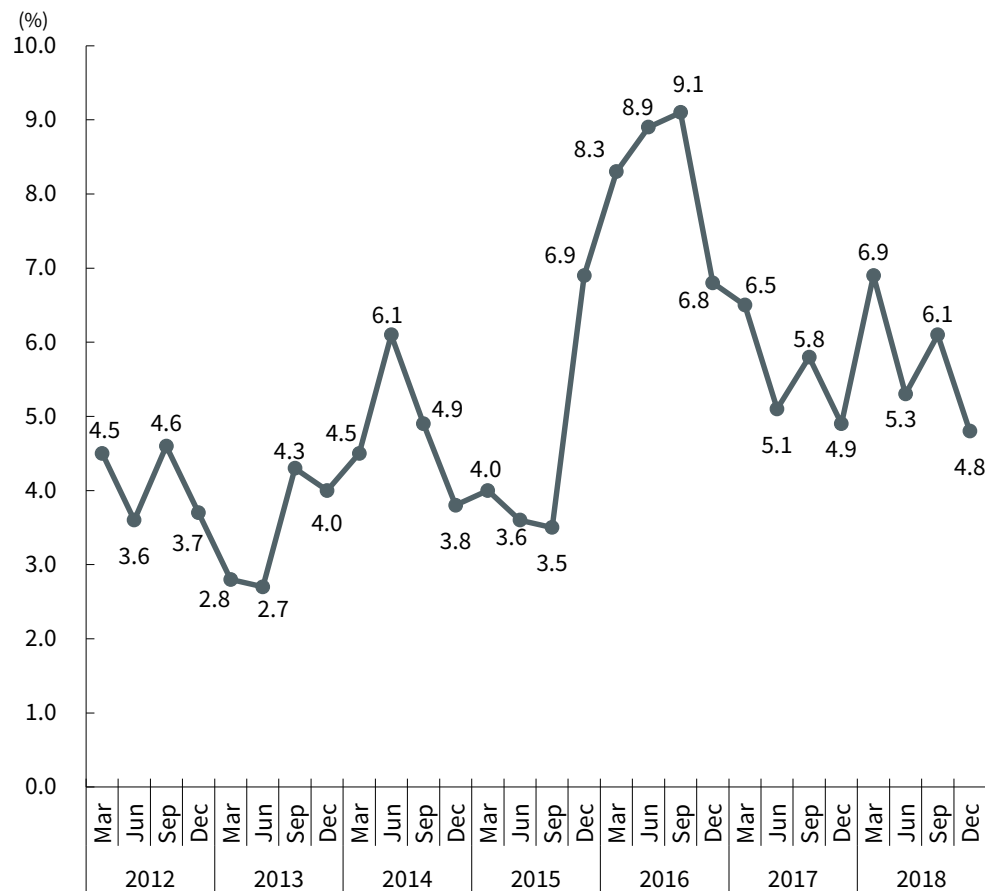
(Source) Ministry of Land, infrastructure, Transport and Tourism

Overview of the Logistics Market (2)

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

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

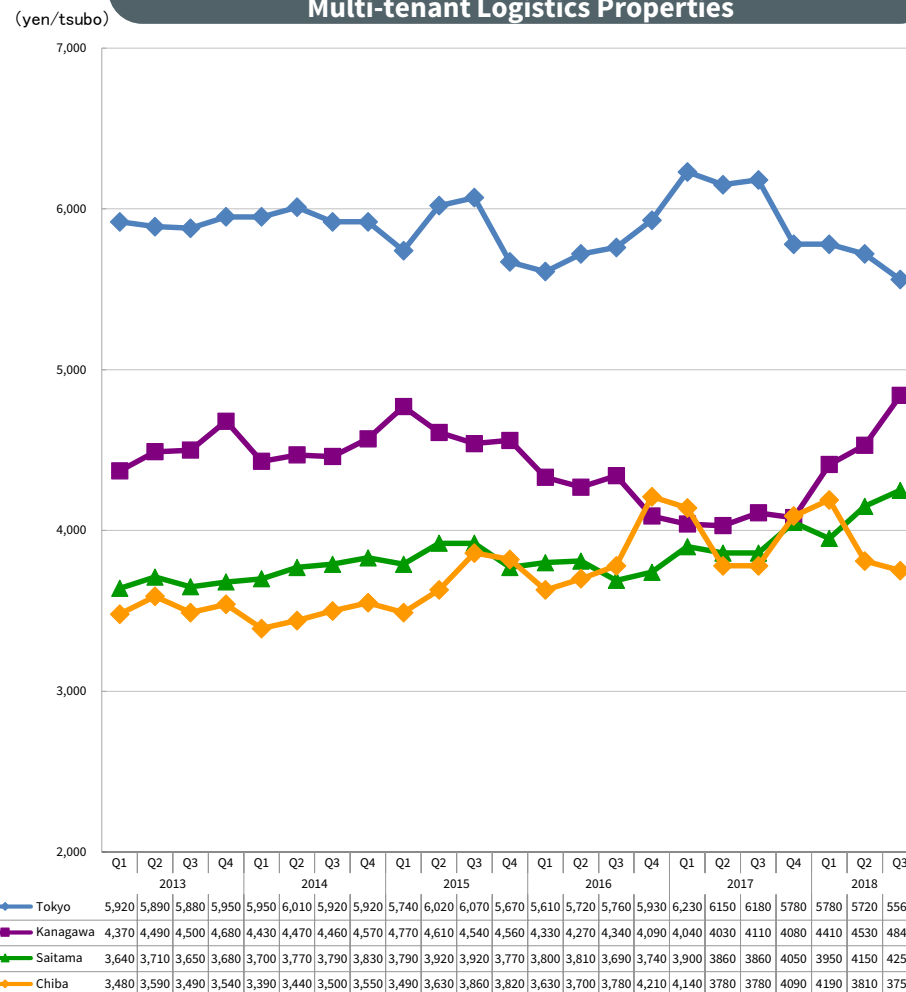
Vacancy Rate of Large-scale Multi-Tenant Logistics Properties in the Tokyo Metropolitan Area



*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

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



(Note) Based on CBRE Data

Unit Price Performance (Jan. 4, 2010 ~ Mar. 6, 2019)



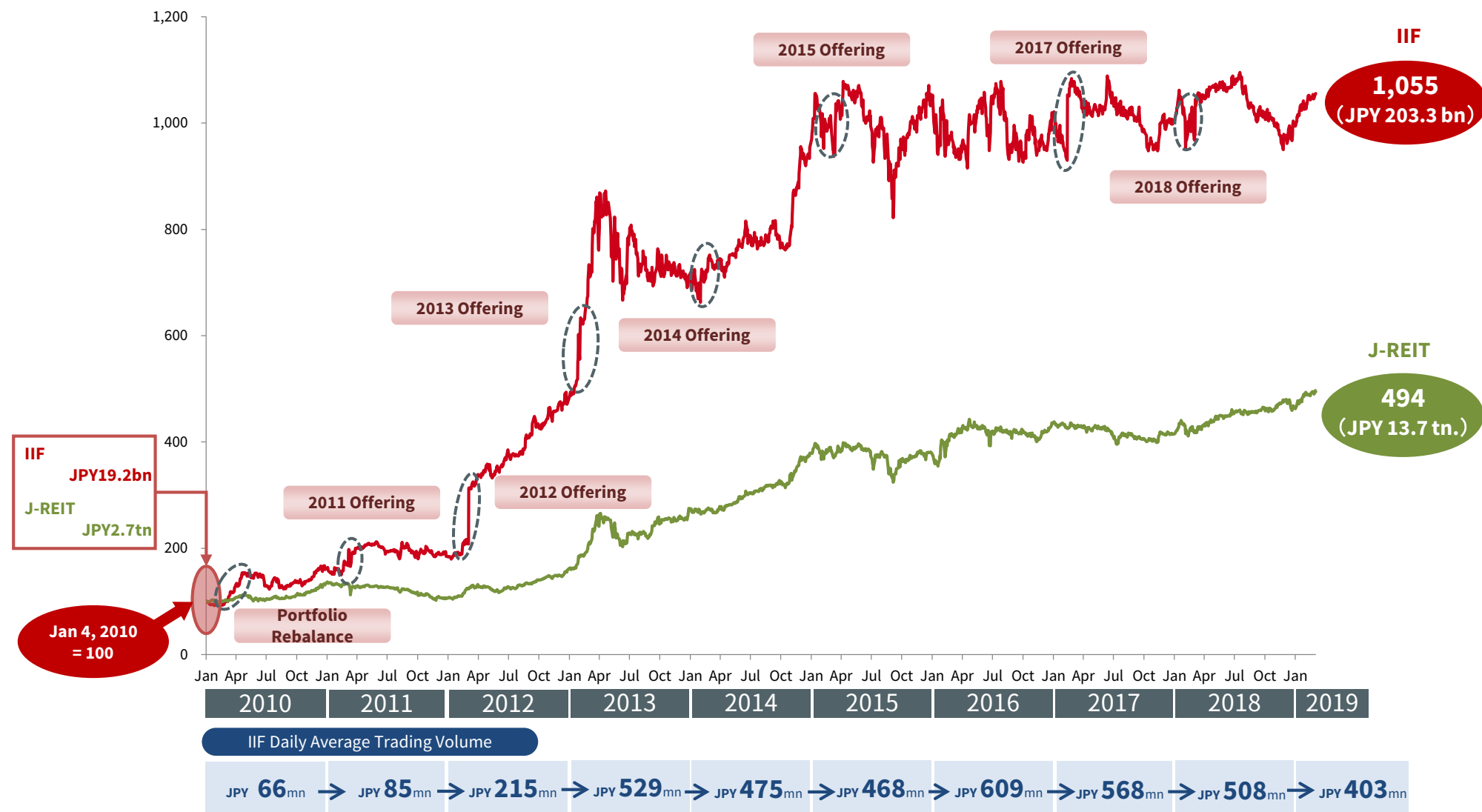
(Source) Bloomberg

(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 and Trading Volume (Jan. 4, 2010 ~ Mar. 6, 2019)



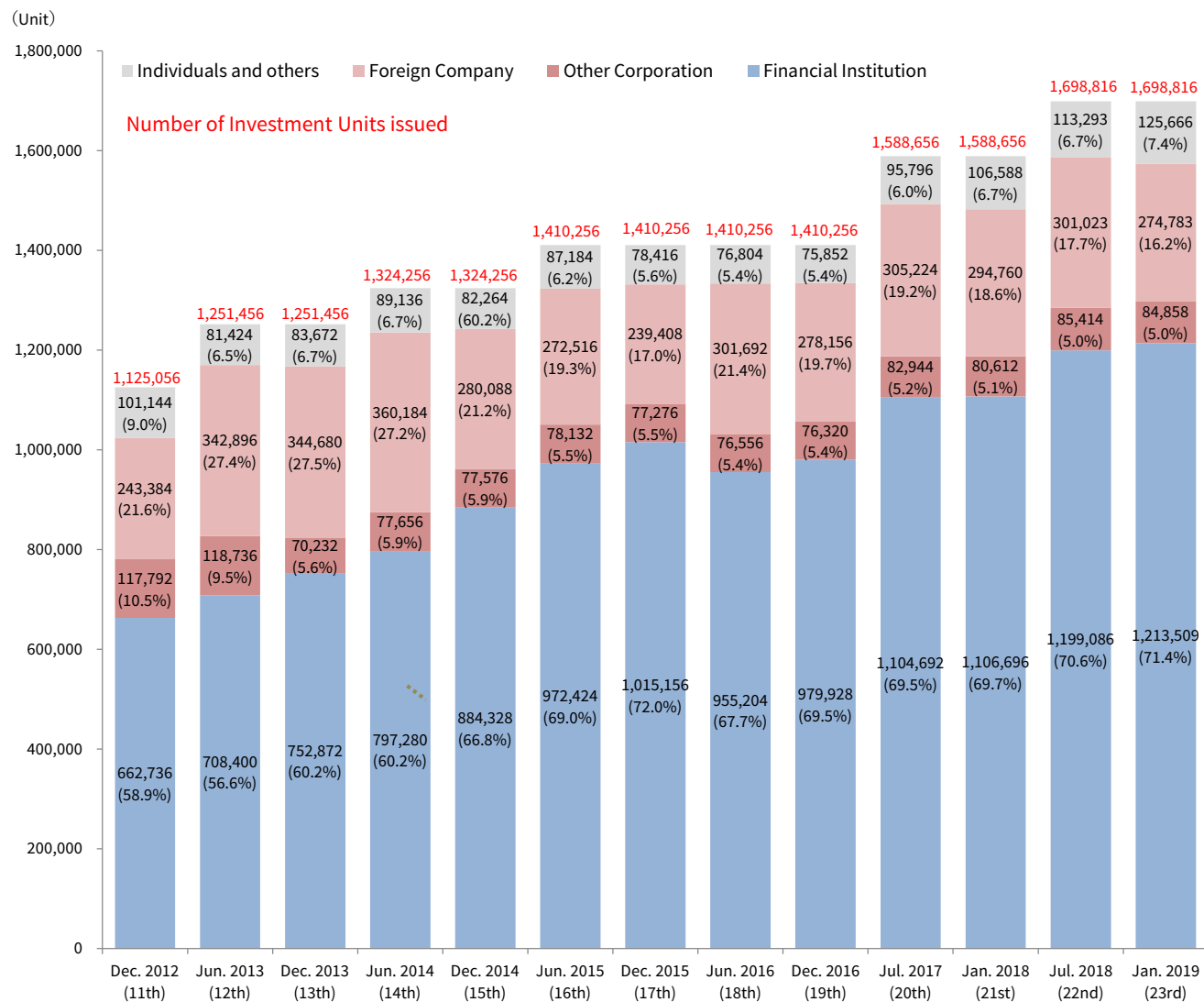
(Source) Bloomberg
 (Note 1) Based on closing prices
 (Note 2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

Investors' Attributes

Top 20 Investors as of the End of Jan. 2019

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	252,913	14.88
2	Master Trust Bank of Japan, Ltd. (Trust Account)	250,799	14.76
3	Nomura Trust and Banking Co., Ltd. (Trust Account)	70,021	4.12
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	61,302	3.60
5	Mitsubishi Corporation	25,600	1.50
6	Mizuho Trust & Banking Co., Ltd.	24,265	1.42
7	STATE STREET BANK WEST CLIENT - TREATY 505234	22,561	1.32
8	Joyo Bank, Ltd.	22,232	1.30
9	The Hachijuni Bank, Ltd.	22,220	1.30
10	The Chugoku Bank	22,000	1.29
11	Development Bank of Japan Inc.	20,000	1.17
12	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	19,826	1.16
13	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	19,558	1.15
14	The Gunma Bank, Ltd.	19,366	1.13
15	Mitsubishi UFJ Trust and Banking Corporation	19,155	1.12
16	The Chukyo Bank, Ltd.	18,424	1.08
17	BNYM AS AGT/CLTS 10 PERCENT	17,229	1.01
18	The Hokkoku Bank, Ltd.	16,500	0.97
19	THE HOKURIKU BANK, LTD	15,428	0.90
20	THE ASHIKAGA BANK, LTD.	14,932	0.87
Total of Top 20		954,331	56.17

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

 **Mitsubishi Corporation**

Mitsubishi Corporation

 **UBS**

UBS Asset Management AG

% in total issue
51.0%

% in total issue
49.0%

Mitsubishi Corp. - UBS Realty Inc.

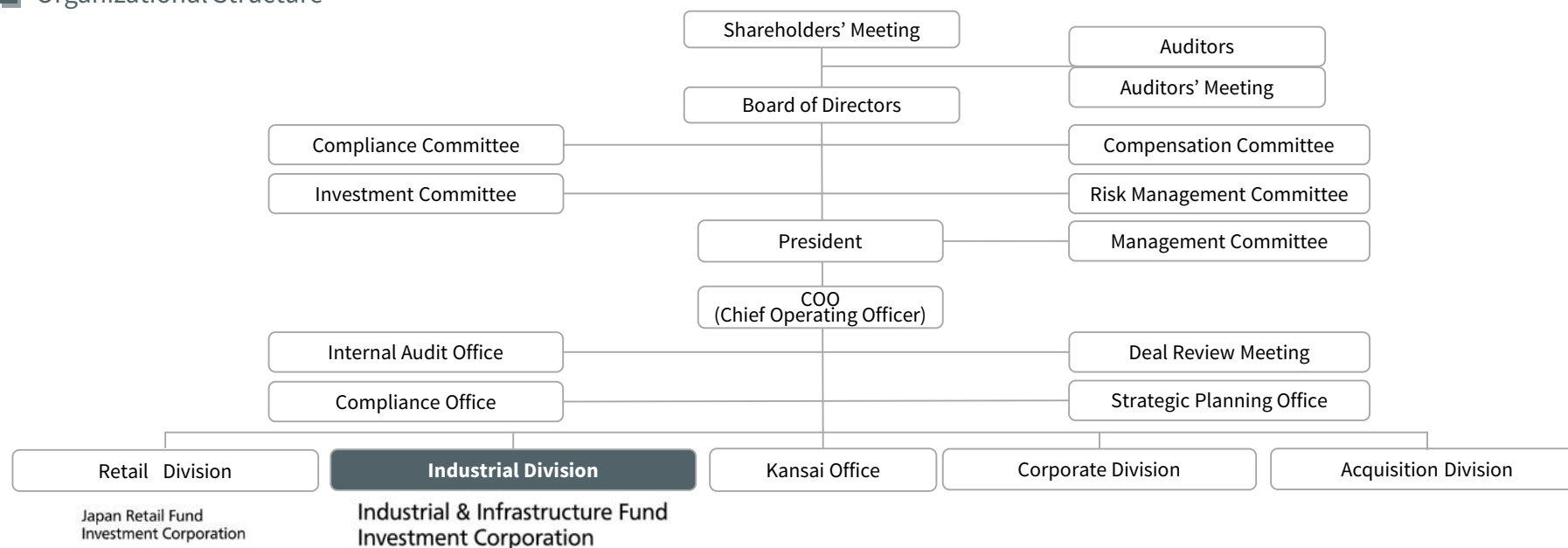
Asset Management Company:

- Number of Directors and Employees 136
(excluding part-time directors and employees, and seconded employees)

Number of Licensed Persons Out of the Above

• Licensed Real Estate Agents	40
• First-class Architects	9
• Real Estate Appraisers	3
• Certified Member of Security Analysts Association of Japan	9
• CPA	2
• Certified Tax Accountants	2
• MBA (including US and UK)	3 (Note) As of Feb. 28, 2019

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)