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**Industrial & Infrastructure Fund Investment Corporation**  
**23<sup>rd</sup> Period Asset Management Report**  
**(Semi-Annual Report)**

August 1, 2018 – January 31, 2019

Industrial & Infrastructure Fund Investment Corporation

# Industrial & Infrastructure Fund Investment Corporation (IIF) invests in social infrastructure as a source of power for the Japanese economy and supports Japan's industrial activities from the perspective of real estate.

Industrial & Infrastructure Fund Investment Corporation (IIF) was listed on the REIT securities market of the Tokyo Stock Exchange (securities code: 3249) in October 2007 as the only J-REIT specializing in industrial properties.

IIF aims to **continuously expand unitholder value** by securing **a stable profit** and achieving steady growth of the properties under management. It aims to achieve this by investing in logistics facilities, manufacturing and research and development (R&D) facilities, and infrastructure facilities which play a vital role in various industrial activities and are expected to be utilized stably in the medium and long term (hereinafter collectively referred to as “industrial properties”).

## **Mitsubishi Corp. – UBS Realty Inc.**

IIF has signed an asset management agreement with Mitsubishi Corp. – UBS Realty Inc. (hereinafter referred to as the “Asset Manager”) and consigned the asset management business based on its articles of incorporation and investment policy.

The Asset Manager is sponsored by Mitsubishi Corporation, one of the largest general trading companies in Japan, and UBS Asset Management A.G., the world's leading financial group. It manages IIF's portfolio with the aim of securing a stable profit and achieving steady growth of the properties under management in the medium and long term.

## Distribution Per Unit

- The 23<sup>rd</sup> Fiscal Period (Result: August 1, 2018 – January 31, 2019) 2,723 yen
- The 24<sup>th</sup> Fiscal Period (Forecast: February 1, 2019 – July 31, 2019) 2,933 yen

## Highlight of the 23<sup>rd</sup> Period

	The 20 <sup>th</sup> period	The 21 <sup>st</sup> period	The 22 <sup>nd</sup> period	<b>The 23<sup>rd</sup> Period (Result)</b>	The 24 <sup>th</sup> period (Forecast)
Operating Revenue (million yen)	10,054	8,976	9,686	<b>9,806</b>	10,310
Net Income (million yen)	4,633	4,081	4,612	<b>4,624</b>	4,981
Total Asset (million yen)	261,999	261,500	289,221	<b>289,242</b>	-
Distribution per Unit (yen) <sup>*1 *2</sup>	11,674 (2,918)	10,282 (2,570)	2,716	<b>2,723</b>	2,933
Net Asset Value per Unit (yen) <sup>*3</sup>	294,608	293,287 (73,321)	76,385	<b>76,394</b>	-

\*1 The figures for the 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, and 23<sup>rd</sup> periods include distribution in excess of profit.

\*2 IIF executed a four-for-one unit split on February 1, 2018 as the effective date. With respect to the distributions per unit and net asset values per unit for the periods prior to the fiscal period ended January 31, 2018 (the 21st period), the figures in parentheses show pro forma per unit information which has been adjusted assuming the unit split.

\*3 IIF executed a four-for-one unit split on February 1, 2018 as the effective date. With respect to the net asset value per unit for the fiscal period ended January 31, 2018 (the 21st period), the figure in parentheses shows pro forma per unit information which has been adjusted assuming the unit split.

## Greetings

I would like to take this opportunity to express my sincere gratitude to all investors for your ongoing support.

This report provides an update on IIF's performance for the fiscal period ended January 31, 2019 (the 23<sup>rd</sup> period).

In this period, we held our 7<sup>th</sup> General Meeting of Unitholders on October 30, 2018. I would like to thank our unitholders participating in the Meeting for their valuable comments and questions on the day.

IIF acquired one property in this period (total acquisition price: 900 million yen). This addition brought the total number of properties under management to 67 and the total asset size to 275.6 billion yen (on an acquisition price basis) as of the end of the period. We also decided to invest in a silent partnership ("Tokumei Kumiai") (investment amount: 100 million yen), which is to be executed in the next period. IIF intends to work on promoting industry and human resource development together with Ota-ku, Tokyo by investing as an investor in the Tokumei Kumiai in a rental factory of which Ota-ku is the tenant. This investment is highly significant for IIF from the perspective of ESG<sup>\*1</sup>, which has recently been a matter of growing social interest.

With regard to existing properties, we acquired ESG-related environmental certifications—CASBEE for Real Estate Certification for one property and DBJ Green Building Certification for three properties<sup>\*2</sup>. To improve the rate of acquisition of environmental certifications for properties under management, we will keep striving to acquire such certifications. IIF has also been awarded the "Green Star", GRESB's (Global Real Estate Sustainability Benchmark) highest award, for six consecutive years. In addition to conventional stable investment management, by working on ESG, for which there is increasing social demand, IIF aims to contribute to the realization of a sustainable society through our asset management.

As a result of these activities, the distribution per unit (including distribution in excess of profit) for this period was 2,723 yen. IIF will work to maximize unitholder value while implementing ESG measures, and we look forward to your continued support.

<sup>\*1</sup> ESG is derived from the initial letters of Environmental, Social, and Governance, and refers to initiatives toward long-term corporate growth in various business fields.

<sup>\*2</sup> DBJ Green Building Certification for the three properties was reacquired after the expiration of the effective certification period.

**Yasuyuki Kuratsu**  
Executive Director  
Industrial & Infrastructure Fund Investment Corporation

## IIF Focus

### Maximizing Unitholder Value through the Pursuit of Socially Responsible and Environmentally Conscious Investment Opportunities

#### Topics of the 23<sup>rd</sup> period

- Decided to invest in a Tokumei Kumiai to acquire a shared factory as an ESG investment
- Acquired IIF Tsukuba Manufacturing Center (land with leasehold interest)
- In existing properties, improved net operating income (NOI), stabilized lease agreements, and extended the periods of lease agreements
- Received “Green Star” for GRESB Real Estate certification for the six consecutive years

#### Summary of the 23<sup>rd</sup> Period (Fiscal Period Ended January 31, 2019)

In this period, due to the profit generated by the newly acquired property, operating revenue was 9,806 million yen (an increase of 120 million yen from the previous period), and net income was 4,624 million yen (an increase of 11 million yen from the previous period).

As a result, the distribution per unit increased by 7 yen from the previous period to 2,723 yen (including distribution in excess of profit of one yen per unit). Net asset value (NAV) per unit<sup>\*1</sup> also increased by 2,319 yen from the previous fiscal period to 104,189 yen.

IIF's portfolio as of January 31, 2019 comprised 67 properties worth 275.6 billion yen (based on acquisition price) with a total leasable area of 1,487,477.41 m<sup>2</sup> and an occupancy rate of 99.6%<sup>\*2</sup>. The average remaining lease term is 8.7 years, and based on these long-term lease agreements, we have secured stable management.

#### Prospect for the 24<sup>th</sup> Period (Fiscal Period Ending July 31, 2019) and Future Management Policies

We forecast an operating revenue of 10,310 million yen, net income of 4,981 million yen, and a distribution per unit of 2,933 yen (including distribution in excess of profit of one yen) for the fiscal period ending July 31, 2019 (the 24<sup>th</sup> period).

As Japan's only REIT specializing in industrial properties<sup>\*3</sup>, IIF has cultivated manufacturing and research facilities and infrastructure facilities in recent years based upon our unique Corporate Real Estate (CRE) proposals<sup>\*4</sup>. As a result, we have built solid track records in the cultivation of new classes of assets. Going forward, we intend to further increase unitholder value through the implementation of measures that take social responsibility and the environment into consideration as well as portfolio management. We look forward to continued support and encouragement from our unitholders.

\*1 NAV per unit is based on the appraisal value (or researched value) as of the end of the most recent fiscal period.

\*2 Figures are rounded to the nearest first decimal place.

\*3 “Industrial properties” is a collective term for properties that serve as bases for a range of industrial activities such as

research and development, raw material procurement, stockpiling, storage, manufacturing, production, intercompany distribution, assembly and processing, sale distribution, and recycling, and infrastructure properties that serve as bases for supporting these industrial activities.

\*4“CRE” is the abbreviation for Corporate Real Estate, which refers to properties owned by companies. To contribute to solving managerial and operational issues and needs of private-sector companies and public institutions, IIF purses CRE strategy that involves making proposals for optimum and efficient management of such property holdings, and works on projects for developing plants, research facilities, and other properties.

On January 31, 2019, Katsuhisa Sakai resigned from the position of President & CEO of Mitsubishi Corp.-UBS Realty Inc. His successor, Katsuji Okamoto, was appointed as the company’s President & CEO as of February 1, 2019.

### **Proactive Initiatives towards ESG**

Together with the Asset Manager, IIF aims to realize a sustainable society and focuses on sustainability and ESG (Environment, Society, and Governance) initiatives. As the first acquisition for a J-REIT based on the Principles for Positive Impact Finance, we have acquired an interest in the Tokumei Kumiai that invests in trust beneficiary rights in OTA Techno CORE, of which Ota-ku is the tenant. We position investment in the SPC owning OTA Techno CORE as a “Social” action in relation to ESG (Environment, Social, and Governance) measures, and consider the investment to be socially significant.

Mitsubishi Corp.-UBS Realty Inc. issued the “MC-UBS Group ESG Report 2019.01” on January 9, 2019. The report was issued to help unitholders to deepen their understanding of the approach of IIF and MC-UBS Group to ESG issues. For details of the Report, refer to IIF’s website.

#### ■ The first acquisition for a J-REIT based on the Principles for Positive Impact Finance



See the following page for details

## ■ Issuance of ESG Report



[https://www.iif-reit.com/english/sustainability/ea9gav000000438y-att/ESGReport\\_e.pdf](https://www.iif-reit.com/english/sustainability/ea9gav000000438y-att/ESGReport_e.pdf)

## IIF's External Growth:

### Decided to invest in a Silent Partnership in the Fiscal Period Ended January 31, 2019 (the 23rd Period)

OTA Techno CORE

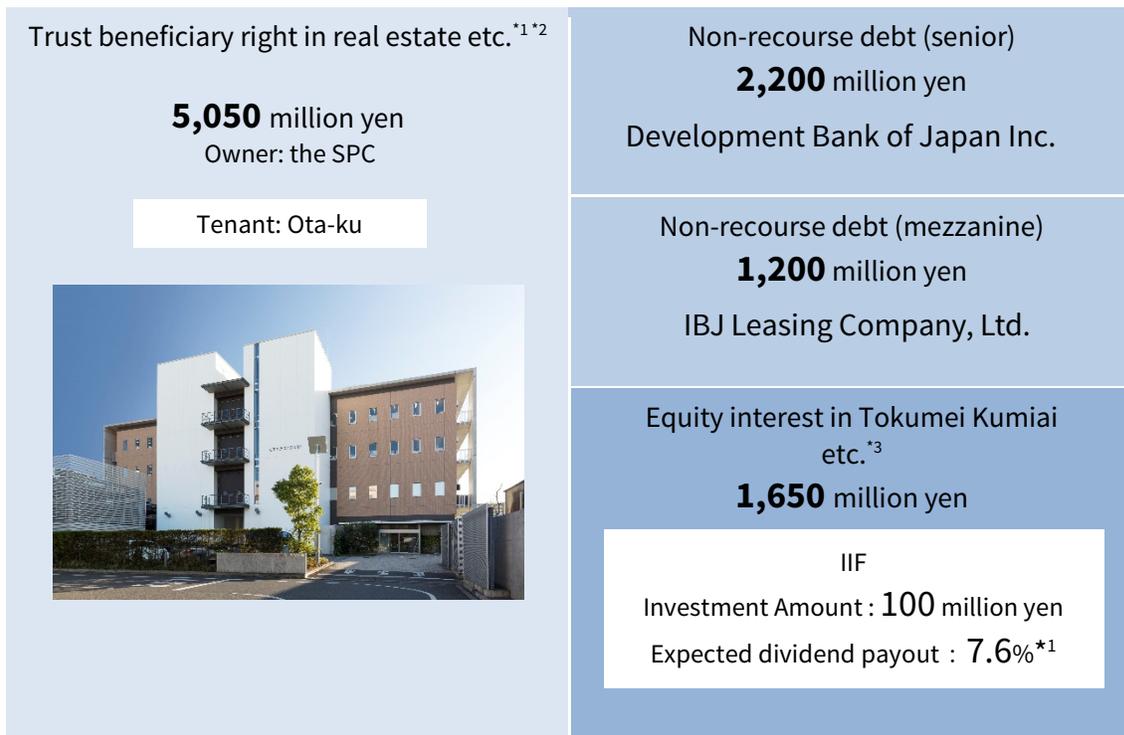
PRE

First acquisition for a J-REIT based on the Principles for Positive Impact Finance

#### Key points

OTA Techno CORE plays a role as a site for human resource development and technology transfer to promote industry over the medium to long term, and IIF positions investment in the SPC owning the property as a “Social” action. OTA Techno CORE plays a ESG (Environment, Social and Governance) measures. We will remain committed to contributing to the continuous development of local communities, and plan to expand opportunities for acquisition of Public Real Estate (PRE) in the future by building on the experience gained with PRE initiatives that IIF has undertaken since its initial public offering.

## ■ SPC Scheme



\*1 The SPC is scheduled to acquire the trust beneficiary right on March 1, 2019. Furthermore, the above-mentioned amount includes acquisition costs of the trust beneficiary right and the cost of establishing the Tokumei Kumiai (rounded down to the nearest million yen).

\*2 The acquisition price of the trust beneficiary right is 4,770 million yen. As of September 30, 2018, the appraisal value of the trust beneficiary right is 5,030 million yen.

\*3 IIF intends to invest 100 million yen or 6.06% of total funds invested in the Tokumei Kumiai. Such equity interest in which IIF plans to invest is valued at 103 million yen as of September 30, 2018. The research value for the equity interest is based on the figure shown on the research report prepared by the Japan Real Estate Institute. The investment amount has been determined based on the appraisal value of the property as well as other factors that could affect the pricing. The other planned investors in the Tokumei Kumiai are domestic investors with high degrees of a public nature such as non-profit organizations including a mutual aid enterprise and educational institutions.

## ■ Schedule

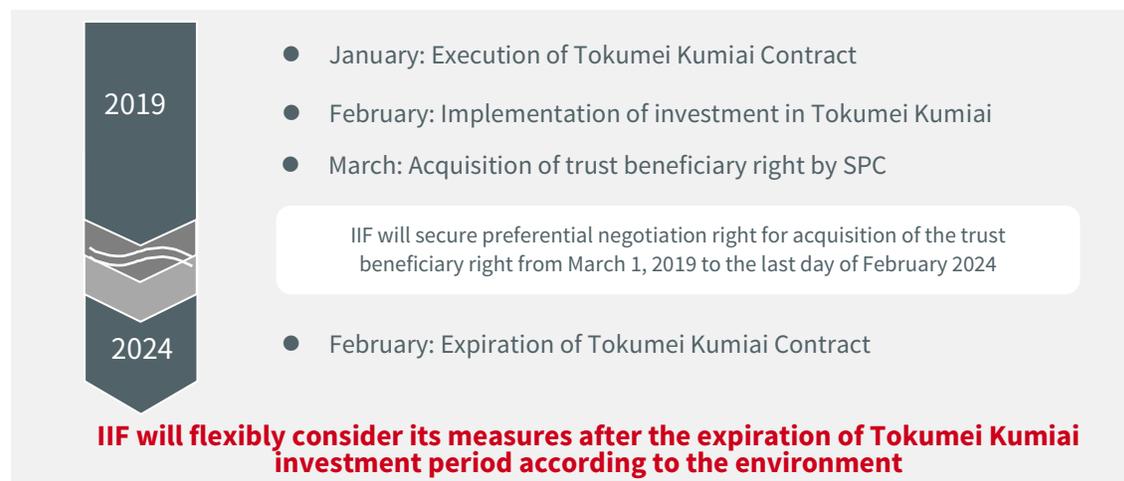
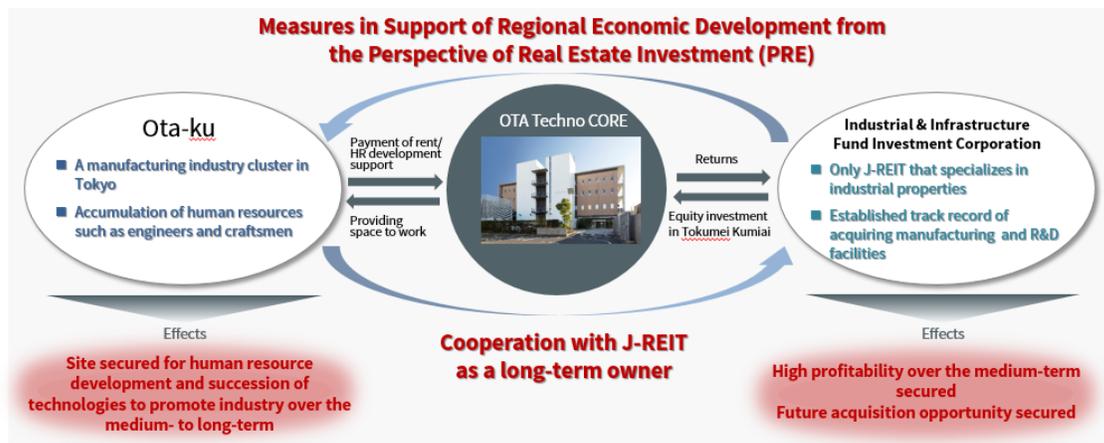


Image of measures for the creation of a sustainable society



### Property Acquired in the Fiscal Period Ended January 31, 2019 (the 23<sup>rd</sup> Period)

IIF Tsukuba Manufacturing Center (Land with leasehold interest)

CRE

#### Key points

Using cash in hand, a manufacturing facility (land with leasehold interest) located in a prime area with high versatility was acquired through a CRE proposal with an NOI yield of 8.3% (after depreciation) and an unrealized gain ratio of 46.7%. This acquisition is expected to contribute to growth in the dividend per unit and net asset value (NAV).



■ Located in the Tsukuba International Strategic Zone where many companies concentrated



Acquisition price	900 million yen
Appraisal value	1,320 million yen
NOI Yield	8.3%
NOI Yield (after depreciation)	8.3%

## Disposition of Existing Property

### IIF Atsugi Logistics Center

#### Key points

The profitability of the portfolio has been improved by disposing of a property with a yield (after depreciation) significantly lower than the portfolio's average yield. IIF intends to realize a large amount of unrealized capital gains through this property sale and return the capital gains to unitholders. Furthermore, we will implement measures for improvement of future profits using capital gains and funds from the disposition.



Acquisition price	2,100 million yen
Location	Atsugi City, Kanagawa
Tenant	Fujilogitech Next, Inc.
Construction completion	January 31st, 2005
Land size / Total floor space	5,648.48 m <sup>2</sup> / 10,076.58 m <sup>2</sup>
Structure	4-story steel structure with galvanized steel sheet roof
NOI Yield <sup>*1</sup>	5.2% (Portfolio average : 5.8%)
NOI Yield after depreciation <sup>*2</sup>	2.1% (Portfolio average : 4.8%)

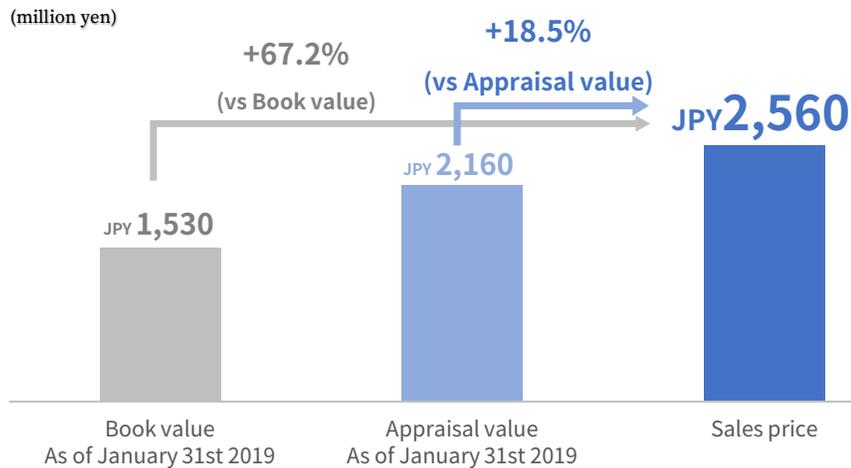
\*1 NOI Yield = NOI ÷ Acquisition price of the property

\*2 NOI yield (after depreciation) = (NOI - depreciation\*\*) ÷ Acquisition price

\*\*"NOI" is calculated by annualizing NOI of the actual result of the period ended January 2019 (23<sup>rd</sup> period) .

\*\*\*"Depreciation" is calculated by annualizing depreciation of the actual result of the period ended January 2019(23<sup>rd</sup> period) .

## Realized Gain through disposition at a price well over appraisal value



### Achievement by disposition

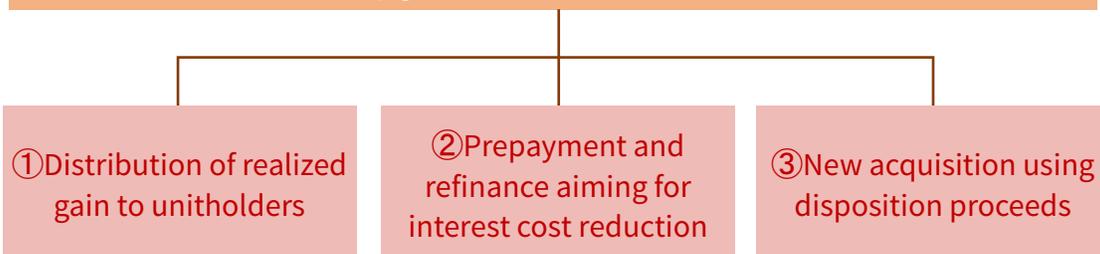
- ① Improvement of portfolio profitability
- ② Distribution of realized gain to unitholders
- ③ Initiatives to improve profitability using gain on sales and disposition proceeds

### Scheduled disposition date

March 29th, 2019	(First 50% ownership)
August 1st, 2019	(Remaining 50% ownership)

### ■ Aimed at Further Improvement of Profitability through Use of Gain on Sales and Disposition Proceeds

Initiatives by gain on sales and disposition proceeds



## IIF's Internal Growth:

### Portfolio management through 3C Management\* Cycle

IIF promotes the 3C Management Cycle which aims for internal growth through long-term stable management coupled with enhanced profitability and asset value by providing value to its tenants.

\* 3C Management:

Portfolio management method of (i) grasping tenants' true needs through close communication (Communicate); (ii) strategically making custom-made proposals to meet tenants' individual needs (Customize); and (iii) creating unitholder value through long-term stable management coupled with enhanced profitability and asset value (Create).

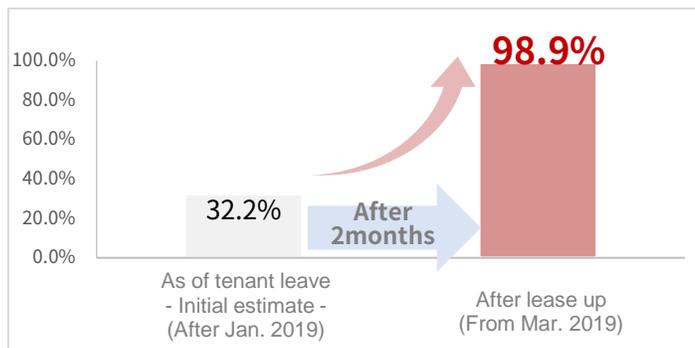
### Internal Growth Measures Implemented in the Period Ended January 31, 2019 (the 23rd Period)

IIF Shinagawa IT Solution Center

Occupancy rate recovery

#### Point

Occupancy rate recovers to **98.9%** from Mar. 2019 by capturing strong office lease demands and area characteristics



DPU is expected to increase by **64**yen due to quick lease up (vs 23rd fiscal period)\*

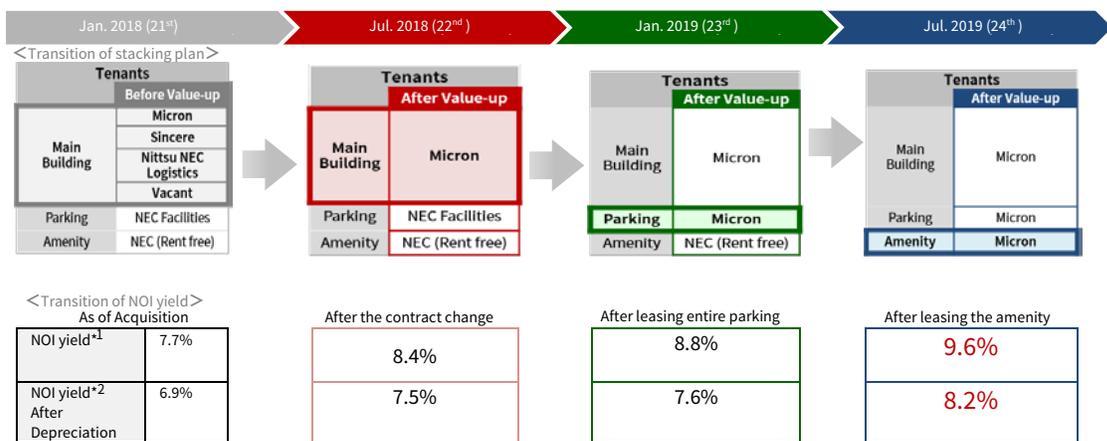
\* Impacted amount of distributions due to re-tenant is an estimate amount regarding impact of leasing of IIF Shinagawa ITSC against announced actual distributions for 23rd fiscal period and is not guaranteed. Actual distribution amount may fluctuate due to factors other than leasing of IIF Shinagawa ITSC.

**Point**  
Great improvement of unitholder's value by continuous value-up approaches



As of Acquisition Mar. 2015	<ul style="list-style-type: none"> <li>Acquired through CRE proposal to capture NEC's needs to dispose non-core asset</li> <li>Originally, leased to 6 tenants for 1 year period with annual contract renewal</li> </ul>
1 <sup>st</sup> Value-up Nov. 2017	Changed the contract with Micron to lease entire main building
2 <sup>nd</sup> Value-up Oct. 2018	Contracted with Micron to lease entire parking area in site
3 <sup>rd</sup> Value-up Mar. 2019	Newly contracted with Micron to lease amenity building, and convert amenity building into office

**Great improvement in stability, asset value and profitability by value-up approaches**



\*1 The figure used for the calculation of NOI is the first-year net revenue with the DCF method as described in the real estate appraisal as of January 1, 2015.  
The figure used for the calculation of NOI after contract change is the first-year net revenue with the DCF method as described in the real estate appraisal as of January 31, 2018.  
The figure used for the calculation of NOI after contracting uniform management of the parking lot is the sum of the first-year net revenue with the DCF method as described in the real estate appraisal as of July 31, 2018 and the fluctuation of the revenue from parking lot.  
The figure used for the calculation of NOI after executing lease contract for the amenity building is the second-year net revenue with the DCF method as described in the real estate appraisal as of January 31, 2019

\*2 Depreciation at the time of acquisition is calculated by annualizing depreciation of the actual result of the period ended June 2016(18th period).  
Depreciation after contract change is calculated by annualizing depreciation of the actual result of the period ended January 2019(23rd period).  
Depreciation after contracting uniform management of the parking lot is calculated by annualizing forecasted depreciation of the relative period.  
Depreciation after the value up measures is calculated by annualizing forecasted depreciation of the relative period.

**Financial Initiatives of IIF**

In this period, the percentages of long-term and fixed-interest rate borrowings were 100% and 100%, respectively, with an average applicable interest rate of 0.95% and an average of 6.0 years remaining until maturity. The loan to value (LTV) rate was 50.1%.

IIF will continue to aim to establish a stable financial position over the long term through an asset liability management (ALM) strategy for procurement of long-term, fixed-interest rate loans together with a long-term, stable portfolio.

## IIF's Sustainability Management

### ◆ Inclusion in the MSCI Japan ESG Select Leaders Index

IIF has been included in the MSCI Japan ESG\*<sup>1</sup> Select Leaders Index which was launched by MSCI on July 3, 2017. IIF sees inclusion in the index having a favorable effect to broaden our potential investor base and increase the liquidity of the fund.



2018 Constituent  
MSCI Japan ESG  
Select Leaders Index

### MSCI Japan ESG Select Leaders Index:

MSCI, an American stock index provider listed on the New York Stock Exchange, launched index called the MSCI Japan ESG Select Leaders Index. The index is the capitalization weighted index which provides exposure to companies with high Environment, Social, and Governance (ESG) performance relative to their sector peers. The Government Pension Investment Fund (GPIF) also announced on July 3, 2017 that it has selected the index one of three ESG indices. As announced in June 2018 by MSCI, the index covers the top 700 equities in the MSCI Japan Investable Market Index (IMI), and selects equities with outstanding ESG ratings

\*1 ESG stands for Environmental, Social, and Governance. IIF's efforts towards ESG issues will help solve and improve environmental and social issues, and foster a sound and growing capital market.

### ◆ Third-Party Evaluation and Certifications

#### GRESB Real Estate Assessment

Awarded the “Green Star”, GRESB's (Global Real Estate Sustainability Benchmark) highest award, for six consecutive years. The measures implemented from the past including proactive information disclosures on website related to sustainability, new measures such as improvement of corporate governance and diversity inclusion were recognized. IIF also awarded four stars under the GRESB rating system (five-star scale).



#### CASBEE

IIF has been promoting environmental and energy conservation measures as well as the efficient use of energy in its properties for the effort to strengthen environmental consciousness and reduce environmental load. As of the end of January 2019, nine properties were awarded CASBEE Real Estate Certification.



## BELS

As of the end of January 2019, eight properties in IIF's portfolio were awarded BELS Certification.



## DBJ Green Building Certification

As of the end of January 2019, five properties have received the DBJ Green Building Certification.



## ◆ Continuous Efforts Regarding ESG

MC-UBS has been promoting ESG initiatives. Having established basic policy on sustainability in 2013, IIF has implemented the following initiatives. IIF shares this policy in making investments.

### In 2013

- Established an environmental charter
- Established the Responsible Property Investment (RPI) Policy
- Signed the Principles for Responsible Investment (PRI) proposed by the UN
- Became the first J-REIT asset manager to sign the Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

### In 2015

- Became the first J-REIT asset manager to sign the UN PRI Montreal Carbon Pledge, a new commitment to reduce CO2

### In 2016

- Became the first J-REIT asset manager to sign the United Nation's Environment Programme Finance Initiative (UNEP FI) and participated in a working group
- Became the first J-REIT asset manager to sign the United Nations Global Compact



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# I. ASSET MANAGEMENT REPORT

## Outline of asset management operation

### 1. Operating results and financial position

Fiscal period			19th	20th	21st	22nd	23rd
As of /for the six months ended			December 31, 2016	July 31, 2017 (Note 1)	January 31, 2018	July 31, 2018	January 31, 2019
Operating revenues	Note 2	(Millions of yen)	8,069	10,054	8,976	9,686	9,806
(Rental revenues)	Note 2	(Millions of yen)	(8,022)	(10,054)	(8,976)	(9,686)	(9,806)
Operating expenses	Note 2	(Millions of yen)	3,652	4,266	3,905	4,132	4,243
(Rental expenses)	Note 2	(Millions of yen)	(2,797)	(3,221)	(2,976)	(3,135)	(3,210)
Operating income		(Millions of yen)	4,416	5,787	5,071	5,553	5,562
Ordinary income		(Millions of yen)	3,443	4,634	4,082	4,614	4,625
Net income	(a)	(Millions of yen)	3,442	4,633	4,081	4,612	4,624
Net assets	(b)	(Millions of yen)	93,959	117,008	116,483	129,765	129,780
(Period-on-period change)		(%)	(0.2)	(24.5)	(-0.4)	(11.4)	(0.0)
Total assets	(c)	(Millions of yen)	224,749	261,999	261,500	289,221	289,242
(Period-on-period change)		(%)	(3.7)	(16.6)	(-0.2)	(10.6)	(0.0)
Unitholders' capital	Note 4	(Millions of yen)	90,823	112,651	112,651	125,376	125,376
(Period-on-period change)		(%)	(—)	(24.0)	(—)	(11.3)	(—)
Number of units issued and outstanding	(d)	(Units)	352,564	397,164	397,164	1,698,816	1,698,816
Net asset value per unit	Note 5	(b)/(d) (Yen)	266,503	294,608	73,321	76,385	76,394
Total distributions	(e)	(Millions of yen)	3,443	4,636	4,083	4,613	4,625
Distribution per unit	(e)/(d)	(Yen)	9,768	11,674	10,282	2,716	2,723
(Profit distribution per unit)		(Yen)	(9,765)	(11,667)	(10,276)	(2,715)	(2,722)
(Distribution per unit in excess of profit)		(Yen)	(3)	(7)	(6)	(1)	(1)
Ratio of ordinary income to total assets	Note 6	(%)	1.6 (3.1)	1.9 (3.3)	1.6 (3.1)	1.7 (3.4)	1.6 (3.2)
Return on unitholders' equity	Note 6	(%)	3.7 (7.3)	4.4 (7.6)	3.5 (6.9)	3.7 (7.6)	3.6 (7.1)
Ratio of net assets to total assets	(b)/(c)	(%)	41.8	44.7	44.5	44.9	44.9
(Period-on-period change)		(%)	(-1.5)	(2.9)	(-0.2)	(0.4)	(0.0)
Payout ratio	Note 6	(%)	100.0	100.0	100.0	100.0	100.0
Additional information:							
Rental net operating income (NOI)	Note 6	(Millions of yen)	6,355	8,276	7,262	7,882	7,961
Net profit margin	Note 6	(%)	42.7	46.1	45.5	47.6	47.2
Debt service coverage ratio	Note 6	(Multiple)	7.3	8.1	8.3	9.7	9.7
Funds from operation (FFO) per unit	Note 6	(Yen)	12,839	15,300	13,456	3,499	3,526
FFO multiples	Note 6	(Multiple)	21.9	18.9	18.7	17.1	16.6
Distributable income per unit after adjustment for taxes on property, plant and equipment	Note 7	(Yen)	9,655	11,451	10,057	2,680	2,684
FFO per unit after adjustment for taxes on property, plant and equipment	Note 7	(Yen)	12,729	15,083	13,237	3,464	3,488

Note 1 With the approval of the 6th General Meeting for Unitholders held on September 30, 2016, the Investment Corporation's Accounting Settlement Day was changed from the end of June and the end of December to the end of January and the end of July. Because of this change, the fiscal period ended July 31, 2017 is seven-month period from January 1 to July 31, 2017.

Note 2 Consumption taxes are not included.

Note 3 Figures less than unit indicated in the above table are rounded down for amounts and rounded for ratio unless otherwise indicated.

Note 4 Unitholders' capital does not reflect capital deduction item caused by allowance for temporary difference adjustment.

Note 5 The Investment Corporation executed a four-for-one unit split (the "Unit Split") on February 1, 2018 as the effective date. Net asset value per unit in the above table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on August 1, 2017.

Note 6 Figures are calculated using the formulas below. Percentages in parentheses are annualized using 184,212,184,181 and 184 days for the 19th, 20th, 21st, 22nd and 23rd fiscal period, respectively. FFO multiples are unaudited.

Ratio of ordinary income to total assets	Ordinary income / Average total assets
	Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on unitholders' equity	Net income / Average net assets
	Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Payout ratio	Total distributions (excluding distributions in excess of profit) / Net income
Rental net operating income (NOI)	(Rental revenues – Rental expenses) + Depreciation
Net profit margin	Net income / Operating revenues
Debt service coverage ratio	Net income before interest expenses, amortization of investment corporation bonds issuance costs, amortization of investment units issuance costs and depreciation / Interest expenses
Funds from operation (FFO) per unit	(Net income + Loss on sales of real estate properties – Gain on sales of real estate properties + Depreciation + Other depreciation related property) / Number of units issued and outstanding
FFO multiples	Market price per unit at end of period/Annualized FFO per unit

Note 7 The figures indicate pro forma distributable income per unit and pro forma FFO per unit assuming that taxes on property, plant and equipment were not capitalized but charged to income in the periods in which were incurred. These figures are unaudited.

## 2. Outline of asset management operation

### (1) Major developments and management performance of IIF

IIF was established on March 26, 2007 based on “Act on Investment Trust and Investment Corporation” (hereinafter referred to as “Investment Trust Law”) and became listed on the J-REIT market of the Tokyo Stock Exchange on October 18, 2007 (ticker code: 3249). Based on the principle of aiming to “invest in social infrastructure as a source of power for the Japanese economy and support Japan’s industrial activities from a perspective of real estate,” IIF invests and manages logistics facilities, manufacturing and research and development (R&D) facilities, and infrastructure facilities which play a vital role in various industrial activities as the only listed J-REIT specializing in industrial properties.

IIF has continued to mark steady growth since it began investment operations in 2007 when it acquired nine properties for the total acquisition price of 66,000 million yen. IIF owned 67 properties whose total acquisition price amounted to 275,664 million yen as of January 31, 2019.

### (2) Investment environment and management performance

During this fiscal period (August 2018 to January 2019), the Japanese economy saw negative growth in its Gross domestic product (GDP) for July to September 2018 due to the occurrence of natural disasters, such as typhoons and torrential rain. Although the growth returned to positive for October to December 2018, a slowdown was seen in the Chinese economy. The demand for electronic components and IT-related products is also estimated to have peaked out. These suggest that the increase in corporate capital investment, which had been buoyant, appeared to have entered a lull.

While the capital market—affected by the process of the US-China trade negotiation and confusions in political and policy management of each country—has been highly volatile, the J-REIT market remained strong in recognition of its defensiveness and stable yields. Since November in particular, funds of overseas investors having concerns over risks flowed in the market and the investment unit prices, mainly of high market value stocks, had increased. In late December, the TSE REIT Index temporarily decreased due to the overall fall in the global stock market but appears to be recovering again in 2019.

Under this environment, IIF has continued to pursue property-sourcing activities based on a Corporate Real Estate (CRE) proposal, an approach in which IIF has strengths. During this fiscal period, IIF acquired IIF Tsukuba Manufacturing Center (land with leasehold interest) at an acquisition price of 900 million yen.

As a result, the properties IIF owned as of January 31, 2019 consisted of 43 logistics facilities, 15 manufacturing, R&D and other facilities and nine infrastructure facilities, whose total acquisition price amounted to 275,664 million yen. The total leasable area as of January 31, 2019 was 1,487,477.41 m<sup>2</sup>, and the average occupancy rate was 99.6%.

### (3) Funding

IIF's fundamental policy is to plan and implement a stable and efficient financial strategy to secure a stable profit and achieve sustainable growth of the properties owned.

#### a) Debt Financing

During this fiscal period, IIF raised no fund by means of debt financing.

The total amount of interest-bearing debt as of January 31, 2019 was 144,800 million yen, which was comprised of 134,800 million yen in long-term loans (including long-term loans to be repaid within one year), and 10,000 million yen in investment corporation bonds.

#### b) Equity Financing

During this fiscal period, IIF raised no fund by means of equity financing.

### (4) Overview of financial results and distributions

As a result of the above management activities, IIF recorded operating revenue of 9,806 million yen, operating income of 5,562 million yen, ordinary income of 4,625 million yen and net income of 4,624 million yen for this fiscal period.

For distributions, IIF includes profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures Law, and profit distributions declared for this fiscal period were 4,624,177,152 yen, which was all profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deducting the provision of an allowance for temporary difference adjustments and excluding fractional distributions of less than one yen per unit. In addition, the Investment Corporation makes distributions in excess of profit in amounts determined by the Investment Corporation considering the effects of taxable income in excess of accounting income and items deducted from net assets on distribution amounts. For this fiscal period, distributions related to the allowance for temporary difference adjustments stood at 1,698,816 yen, the amount calculated as the taxable income in excess of accounting income excluding fractional distributions per unit in excess of profit less than one yen. As a result, the distribution per unit for the period is 2,723 yen.

### 3. Changes in unitholders' capital

The changes in unitholders' capital and number of units issued and outstanding for last five years were as follows:

Date	Capital transaction	Number of investment units issued and outstanding		Unitholders' capital (Millions of yen) (Note 1)		Note
		Increase	Balance	Increase	Balance	
February 3, 2014	Public offering	8,884	165,316	6,888	79,326	Note 2
March 4, 2014	Allocation of investment units to a third party	216	165,532	167	79,493	Note 3
January 1, 2015	Unit Split	165,532	331,064	-	79,493	Note 4
March 16, 2015	Public offering	20,988	352,052	11,059	90,553	Note 5
March 27, 2015	Allocation of investment units to a third party	512	352,564	269	90,823	Note 6
February 14, 2017	Public offering	43,538	396,102	21,308	112,131	Note 7
March 3, 2017	Allocation of investment units to a third party	1,062	397,164	519	112,651	Note 8
February 1, 2018	Unit Split	1,191,492	1,588,656	-	112,651	Note 9
March 7, 2018	Public offering	109,275	1,697,931	12,623	125,274	Note 10
April 4, 2018	Allocation of investment units to a third party	885	1,698,816	102	125,376	Note 11

Note 1 Unitholders' capital does not reflect capital deduction item caused by allowance for temporary difference adjustment.

Note 2 New investment units were issued at a price of ¥803,400 per unit (subscription price of ¥775,384 per unit) through a public offering.

Note 3 New investment units were issued at a price of ¥775,384 per unit through the allocation of investment units to a third-party.

Note 4 The Investment Corporation implemented a split of its investment units on a two-for-one basis with December 31, 2014 as the record date for the unit split.

Note 5 New investment units were issued at a price of ¥546,000 per unit (subscription price of ¥526,960 per unit) through a public offering.

Note 6 New investment units were issued at a price of ¥526,960 per unit through the allocation of investment units to a third-party.

Note 7 New investment units were issued at a price of ¥506,025 per unit (subscription price of ¥489,417 per unit) through a public offering.

Note 8 New investment units were issued at a price of ¥489,417 per unit through the allocation of investment units to a third-party.

Note 9 The Investment Corporation implemented a split of its investment units on a four-for-one basis with January 31, 2018 as the record date for the unit split.

Note 10 New investment units were issued at a price of ¥119,437 per unit (subscription price of ¥115,517 per unit) through a public offering.

Note 11 New investment units were issued at a price of ¥115,517 per unit through the allocation of investment units to a third-party.

### Fluctuation in market price of the investment securities:

The market price of the investment securities on Tokyo Stock Exchange REIT Market fluctuated during each fiscal period as follows:

Fiscal period	(Yen)				
	19th	20th	21st	22nd	23rd
As of /for the six months ended	December 31, 2016	July 31, 2017 (Seven months)	January 31, 2018	July 31, 2018	January 31, 2019
Highest price	589,000	567,000	(Note 1) 521,000 (Note 2) 125,400	126,400	121,900
Lowest price	500,000	488,500	(Note 1) 454,000 (Note 2) 122,300	111,800	106,600
Closing price at end of period	557,000	499,000	(Note 2) 124,800	120,600	116,300

Note 1 The market price (before January 26, 2018) does not reflect the Unit Split.

Note 2 The market price (on or after January 29, 2018) reflects the Unit Split.

## 4. Distributions

The Investment Corporation intends to make profit distributions amounting to ¥4,624,177,152 which are all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment, except for fractional distribution per unit less than one yen, to be treated the distributions as a tax allowable deduction as defined in Article 67-15 of the Special Taxation Measures Act of Japan. The Investment Corporation also intends to make ¥1,698,816 of distributions in excess of profit, considering an effect of differences between net income and taxable income and items deducted from net assets, which were corresponding to differences between net income and taxable income for the period, except for fractional distribution per unit in excess of profit less than one yen.

As a result, cash distribution per unit for the six months ended January 31, 2019 amounted to ¥2,723.

Fiscal period	19th	20th	21st	22nd	23rd
As of /for the fiscal period ended	December 31, 2016	July 31, 2017 (Seven months)	January 31, 2018	July 31, 2018	January 31, 2019
Net income (Thousands of yen)	3,442,762	4,633,743	4,081,126	4,612,919	4,624,277
Retained earnings carried forward (Thousands of yen)	306,864	276,383	245,613	218,599	214,007
Total cash distributions (Thousands of yen)	3,443,845	4,636,492	4,083,640	4,613,984	4,625,875
(Cash distribution per unit) (Yen)	(9,768)	(11,674)	(10,282)	(2,716)	(2,723)
Profit distributions (Thousands of yen)	3,442,787	4,633,712	4,081,257	4,612,285	4,624,177
(Profit distribution per unit) (Yen)	(9,765)	(11,667)	(10,276)	(2,715)	(2,722)
Unitcapital refunds (Thousands of yen)	1,057	2,780	2,382	1,698	1,698
(Unitcapital refund per unit) (Yen)	(3)	(7)	(6)	(1)	(1)
Unitcapital refunds from allowance for temporary difference adjustment (Thousands of yen)	1,057	2,780	2,382	1,698	1,698
(Unitcapital refund per unit from allowance for temporary difference adjustment) (Yen)	(3)	(7)	(6)	(1)	(1)
Unitcapital refunds from deduction of unitcapital under tax rules (Thousands of yen)	-	-	-	-	-
(Unitcapital refund per unit from deduction of unitcapital under tax rules) (Yen)	(-)	(-)	(-)	(-)	(-)

## 5. Management policies and issues

### (1) Outlook for the overall management

The Japanese economy appears to remain on track for moderate recovery against a backdrop of solid corporate performance, an improvement in the employment environment, and an expansion of capital investment to address the workstyle reform. Due attention should be paid, however, to concerns over a slowdown in the global economy against a backdrop of political risks including the US-China trade war and BREXIT.

The J-REIT market, in which the interest rate remains low and stable yields can be earned, is expected to remain strong against a backdrop of overseas investors' close attention as well as the perspective that the fund outflows from monthly distribution-type domestic investment trusts from 2017 will steady down soon.

The real estate market is also expected to keep growing steadily, with J-REITs raising funds vigorously through public offerings since the start of 2019, and properties have continued to be actively traded in the market amid good conditions for capital procurement. Despite the unprecedented volume of new logistics facility supply planned in the Tokyo metropolitan area in 2019, increases in vacancy rates are forecasted to be moderate against a backdrop of strong demand. Properties managed by IIF are also likely to see stable occupancy, given their high versatility and excellent locations.

On the other hand, in addition to the need for automation utilizing AI and other technologies to deal with the shortage of labor, business companies also need to keep pace with changes in technology brought on by advances in IT. Consequently, capital investment is expected to continue trending upward. Amid such an environment, it is expected that there will be an increase in the off-balance-sheet needs of business companies to sell their properties, and IIF also expects to see a rise in investment opportunities through its proposal-based acquisition activities in the area of corporate real estate (CRE), which is a strength of IIF.

## (2) Issues to be solved and management policy going forward

Under the situation described above, IIF will seek to create and maintain a portfolio that generates stable income to achieve sustainable growth of unitholder's value through the strategies described below.

### i) External growth

IIF will continue to demonstrate its strength in proposal-based acquisition activities in the areas of both CRE (Corporate Real Estate) and PRE (Public Real Estate), where growth potential is apparent, and pursue "stable" property acquisition opportunities that contribute to improving "profitability" and "unitholder value." In doing so, IIF will aim to further expand the size of its portfolio.

IIF will continue to pioneer new asset category, while avoiding price competition using our experience, expertise, and networks in both CRE and PRE sectors. By aiming to further increase the property acquisitions of new asset category properties and the development of CRE needs, we will evolve our unique CRE proposal-based business model.

Furthermore, with increasing interest in Environmental, Social and Governance (ESG), IIF actively engages in these initiatives even among J-REITs. For example, IIF announced its acquisition as the first J-REIT in January 2019 of equity interest in the silent partnership based on the Positive Impact Real Estate Investment Framework advocated by the United Nations Environment-Finance Initiative (UNEP FI).

IIF will strive to expand the portfolio through acquisitions of prime properties, leveraging its unique strengths as the only listed J-REIT specializing in industrial properties, creating a flexible property acquisition structure by collecting property information through its information channels including sponsor companies or by using bridge scheme structure.

## ii) Internal growth

As of January 31, 2019, IIF's portfolio consisted of 67 properties for a total acquisition price of 275,664 million yen.

The average occupancy rate as of the end of the period stands at 99.6%. The properties are managed under long-term lease contracts with an average remaining lease period of 8.7 years, generating stable cash flows.

IIF continues to conduct "3C Management Cycle" portfolio management in order to achieve internal growth; that is to realize long-term stable management and enhanced profitability as well as asset value by providing value to tenants. "3C Management Cycle" is a portfolio management method of (i) grasping tenants' true needs through close communication (Communicate); (ii) strategically making custom-made proposals to meet tenants' individual needs (Customize); and (iii) creating unitholder value through long-term stable management coupled with enhanced profitability and asset value (Create). As a result, during this fiscal period, IIF realized an improvement in profit through the introduction of blanket contracts which covers parking space for tenants of IIF Sagamihara R&D Center following the introduction of long term contracts and common space rental system in the fiscal period ended January 31, 2018 (the 21st fiscal period) to satisfy the need for extended functions as a core facility. Furthermore, IIF expects to further improve its profit by contracting new lease contracts to meet the need for additional office spaces. IIF will work to maintain the quality of its portfolio and further improve profitability through efforts based on 3C Management Cycle and by implementing the required management tasks to maintain and improve the functionality, safety and comfort of the buildings it manages and by carrying out suitable repair work as necessary. At the same time, in order to maintain and improve the rent level and prevent cancellations, IIF will continue to exert efforts in building favorable relationships with lessees by continuously making close communications.

## iii) Financial strategy

In consideration of IIF's portfolio that generates "long-term stable cash flows based on long-term lease contracts," IIF's basic strategy in raising funds is to fix liabilities in the long term. In accordance with this policy, IIF will continue to pursue ALM (Asset Liability Management) that matches up the long-term stable cash flows of properties with the long-term fixed-rate borrowings.

IIF will also proceed with reducing fund-raising costs, lengthening borrowing periods, standardizing repayment amounts and diversifying repayment dates through effective refinancing of existing loans. Furthermore, IIF will continue to diversify lenders and procurement methods in the aim of enhancing its fund-raising base.

## 6. Subsequent events

### *Disposition of property*

On March 13, 2019, the Investment Corporation entered into a sales contract of a property as follows:

Property name:	IIF Atsugi Logistics Center (trust beneficial interest)
Completion date of contract:	March 13, 2019
Disposition date:	1 <sup>st</sup> March 29, 2019 (50% of trust beneficial interest) 2 <sup>nd</sup> August 1, 2019 (50% of trust beneficial interest)
Disposition amount:	1 <sup>st</sup> ¥1,280 million 2 <sup>nd</sup> ¥1,280 million
Gains on sales of property:	Gains on sales of property of approximately ¥469 million and ¥484 million will be recognized in profit as operating revenue for the six months ending July 31, 2019 and January 31, 2020, respectively.

Although a purchaser of the property is a special purpose entity arranged by a domestic company, information on the counter party is not disclosed because consent from the purchaser has not been obtained.

# Outline of the Investment Corporation

## 1. Investment unit

Fiscal period	19th	20th	21st	22nd	23rd
As of	December 31, 2016	July 31, 2017	January 31, 2018	July 31, 2018	January 31, 2019
Number of units authorized (Units)	8,000,000	8,000,000	8,000,000	32,000,000	32,000,000
Number of units issued and outstanding (Units)	352,564	397,164	397,164	1,698,816	1,698,816
Number of unitholders (People)	4,725	5,776	6,398	7,996	8,921

## 2. Unitholders

Major unitholders as of January 31, 2019 were as follows:

Name	Address	Number of units owned (Units)	Ratio of number of units owned to total number of units issued (Note) (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	252,913	14.88
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	250,799	14.76
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	70,021	4.12
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo	61,302	3.60
Mitsubishi Corporation	3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	25,600	1.50
Mizuho Trust & Banking Co., Ltd.	2-1, Yaesu 1-chome, Chuo-ku, Tokyo	24,265	1.42
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.	22,561	1.32
The Joyo Bank, Ltd.	5-5, Minami-machi 2-chome, Mito-shi, Ibaraki	22,232	1.30
The Hachijuni Bank, Ltd.	178-8, Aza Okada, Oaza Nakagosho, Nagano-shi, Nagano	22,220	1.30
The Chugoku Bank, LTD.	15-20, Marunouchi 1-chome, Kita-ku, Okayama, Japan	22,000	1.29
<b>Total</b>		<b>773,913</b>	<b>45.55</b>

Note Ratio of number of investment units owned to total number of investment units issued is calculated by rounding down to the second decimal place.

### 3. Officers

#### (1) Directors and independent auditor

			(Thousands of yen)
Post	Name	Major additional post	Compensation or fees for the six months ended January 31, 2019
Executive Director (Note 1)	Yasuyuki Kuratsu	CEO of Research and Pricing Technologies Inc.	2,580
Supervisory Director (Note 1)	Katsuaki Takiguchi	Chief of Katsuaki Takiguchi CPA Office	1,620
	Kumi Honda	Attorney of The Tokyo-Marunouchi Law Offices	1,620
	Eiji Sakomoto (Note 2)	Representative Partner of Ginza K.T.C Tax Corporation	827
Independent auditor	Ernst & Young ShinNihon LLC	—	(Note 3) 12,500

Note 1 There is no investment unit of the Investment Corporation held by the Executive Director nor the Supervisory Directors in their own name or that of others. Although the Executive Director or Supervisory Directors may have additional post in other company than listed above, there is no conflict of interests between those companies including listed above and the Investment Corporation.

Note 2 Eiji Sakomoto was appointed as the supervisory director by the 7th General Meeting of Unitholders held on October 30, 2018.

Note 3 The compensation for Independent auditor includes the audit fees for the financial statements prepared in English

#### (2) Policy for dismissal or refusal of reappointment of independent auditor

The Board of Directors shall dismiss independent auditor in accordance with the Act on Investment Trusts and Investment Corporation of Japan, if necessary. The Board of Directors shall also decide reappointment of independent auditor considering audit quality, fees or other various factors.

### 4. Name of asset manager and other administrator

Classification	Name
Asset manager	Mitsubishi Corp.-UBS Realty Inc.
Custodian	Sumitomo Mitsui Trust Bank, Limited
Agency for unit investment securities transference and special account administrator	Mitsubishi UFJ Trust and Banking Corporation
General administrator (regarding book keeping)	Sumitomo Mitsui Trust Bank, Limited
General administrator (regarding income and other taxes)	Ernst & Young Tax Co.
General administrator (regarding investment corporation bonds)	MUFG Bank, Ltd.

# Condition of investment assets

## 1. Composition of assets

Classification of assets	Asset category	Location category (Note 1)	Region	As of July 31, 2018		As of January 31, 2019	
				Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)	Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,957	4.5	12,934	4.5
			Osaka and Nagoya metropolitan areas	4,605	1.6	4,602	1.6
			Other area	3,130	1.1	4,085	1.4
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	44,428	15.3	44,338	15.3
			Osaka and Nagoya metropolitan areas	1,998	0.7	1,998	0.7
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Trust beneficial interest in real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	91,935	31.8	91,798	31.7
			Osaka and Nagoya metropolitan areas	42,515	14.7	42,388	14.7
			Other area	26,501	9.1	26,437	9.1
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	7,766	2.7	7,738	2.7
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,992	4.5	13,033	4.5
			Osaka and Nagoya metropolitan areas	23,105	8.0	22,940	7.9
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Sub-total				271,937	94.0	272,297	94.1
Bank deposits and other assets				17,283	6.0	16,944	5.9
Total assets				289,221	100.0	289,242	100.0

Note 1 "Location category" is classified as bellow.

Location category	Description
Urban and suburban properties	Properties located in Japan's three major urban areas(i), cities designated by government ordinance, or similar areas
Industrial-area properties	Generally, properties located in industrial zones(ii) that generate more than ¥1 trillion in manufactured product shipments
Other properties	Properties that do not fall within either of the above categories but have an expected risk/return profile suitable for investment

(i) Japan's three major urban areas are the greater Tokyo, Osaka and Nagoya areas. The greater Tokyo area consists of Tokyo, Kanagawa, Chiba and Saitama prefectures; the greater Osaka area consists of Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures; and the greater Nagoya area consists of Aichi, Mie and Gifu prefectures.

(ii) Industrial zones means industrial zones as defined in the Report on Industry Statistics issued by Ministry of Economy, Trade and Industry of Japan.

Note 2 "Composition ratio" is calculated by rounding to the nearest first decimal place.

## 2. Major property

The principal properties (top ten properties in net book value) as of January 31, 2019 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m <sup>2</sup> )	Leased area (Note 2) (m <sup>2</sup> )	Occupancy ratio (Note 3) (%)	Ratio of rent revenue to total rent revenues (Note 3) (%)	Major use
IIF Haneda Airport Maintenance Center	38,312	81,995.81	81,995.81	100.0	14.6	Infrastructure facility
IIF Kobe District Heating and Cooling Center	16,157	11,476.05	11,476.05	100.0	3.4	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	12,894	27,493.29	27,493.29	100.0	4.1	Logistics facility
IIF Osaka Suminoe Logistics Center I	12,094	52,201.30	52,201.30	100.0	Note 5	Logistics facility
IIF Fukuoka Hakozaki Logistics Center II	10,279	51,385.32	51,385.32	100.0	Note 5	Logistics facility
IIF Mitaka Card Center	9,350	21,615.01	21,615.01	100.0	3.7	Manufacturing and R&D facility, etc.
IIF Osaka Konohana Logistics Center	8,689	46,262.20	46,262.20	100.0	Note 5	Logistics facility
IIF Shinagawa IT Solution Center	7,918	7,057.03	3,490.67	49.5	Note 5	Infrastructure facility
IIF Kamata R&D Center	7,451	21,896.56	21,896.56	100.0	Note 5	Manufacturing and R&D facility, etc.
IIF Kyotanabe Logistics Center	5,725	33,243.99	33,243.99	100.0	Note 5	Logistics facility
Total	128,873	354,626.56	351,060.20	99.0	41.5	

Note 1 "Leasable area" means the leasable area of the building or land of each property indicated in the lease agreement.

Note 2 "Leased area" means the leased area of the building or land of each property indicated in the lease agreement.

Note 3 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Ratio of rental revenue to total rental revenues" are calculated by rounding to the nearest first decimal place.

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area and leased area of the property show 53% of the total leasable area or leased area as the share of quasi-co-ownership.

Note 5 "Ratio of rental revenue to total rental revenues" of the properties are not disclosed because the consent from the tenants has not been obtained.

### 3. Details of property

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of January 31, 2019 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m <sup>2</sup> )	Fair value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
IIF Shinonome Logistics Center (Note 4)	13-32, Shinonome 2-chome, Koto-ku, Tokyo	Trust beneficial interest	27,493.29	17,119	12,894
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	9,100	5,377
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	7,460	5,176
IIF Atsugi Logistics Center	6-19, Hase, Atsugi-shi, Kanagawa	Trust beneficial interest	10,959.68	2,160	1,530
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	2,780	1,782
IIF Nishinomiya Logistics Center	2, Nishinomiya 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,000	1,958
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	2,810	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	6,600	4,657
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,040	3,205
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,464.03	3,280	2,304
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,130	1,445
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,610	1,137
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	3,130	2,379
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	4,380	2,066
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	39,567.74	7,560	5,125
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,495.06	3,240	2,518
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	2,950	1,844
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	5,310	3,446
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,160	3,063
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kuranoue-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	1,960	1,505
IIF Inzai Logistics Center	6-1, Matsuzakidai 2-chome, Inzai-shi, Chiba	Trust beneficial interest	5,490.00	1,370	1,023
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,220	578
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	4,500	3,364
IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	8-1, Nagisa-cho, Izumiotsu-shi, Osaka	Trust beneficial interest	48,932.00	4,420	4,179
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-kita, Izumisano-shi, Osaka	Real property	13,947.83	1,090	945
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	7,390	5,725

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m <sup>2</sup> )	Fair value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	988	914
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,050	1,923
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	9,580	8,689
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	2,760	2,605
IIF Hamura Logistics Center	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	3,892.66	928	917
IIF Fukuoka Hakozaki Logistics Center I	14-31, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	24,967.58	5,220	5,191
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,385.32	10,900	10,279
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	1,920	1,754
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,700	1,589
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,160	1,024
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	14,100	12,094
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	2,800	2,568
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,580	1,378
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,610	2,516
IIF Hitachinaka Port Logistics Center (land with leasehold interest)	768-42, Terunuma aza nagisa, Tokai-mura oaza, Naka-gun, Ibaraki, etc.	Real property	20,000.00	1,210	1,193
IIF Koriyama Logistics Center	213, Aza Mukaiharu, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,170	2,583
IIF Kobe Nishi Logistics Center (land with leasehold interest)	10-4, Mitsugaoka 4-chome, Nishi-ku, Kobe-shi, Hyogo	Trust beneficial interest	33,000.00	2,180	2,047
IIF Totsuka Technology Center (land with leasehold interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	5,390	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,340	1,209
IIF Mitaka Card Center	5-14, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	10,100	9,350
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,400	7,451
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	2,950	2,039
IIF Sagami-hara R&D Center	1-35, Minamihashimoto 3-chome, Chuo-ku, Sagami-hara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,650	3,278
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,230	3,872
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	30, Tanyo, Kakegawa-shi, Shizuoka	Trust beneficial interest	66,171.92	1,760	1,572
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	195, Tekkodo 3-chome, Urayasu-shi, Chiba	Real property	7,925.94	1,660	1,345
IIF Yokosuka Technology Center	1-15, Shinmei-cho, Yokosuka-shi, Kanagawa	Trust beneficial interest	13,779.77	4,470	4,205
IIF Shonan Technology Center	1-1, Ichinomiya 6-chome, Samukawa-cho, Koza-gun, Kanagawa	Trust beneficial interest	7,244.71	1,340	1,307
IIF Hiroshima Manufacturing Center (land with leasehold interest)	1461-1, Eba-minami 2-chome, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	23,106.75	1,860	1,693

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m <sup>2</sup> )	Fair value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
IIF Totsuka Manufacturing Center (land with leasehold interest)	2277-4, Kamiyabe-cho Aza Kunichiyato, Totsuka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	19,458.49	2,590	2,413
IIF Atsugi Manufacturing Center (land with leasehold interest)	1-1, Atsugi Morinosato Higashi District Land Readjustment Business area, Kanagawa, Japan., etc. (Lot number) 857, Shimo-furusawa Aza Momijiyama, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	64,327.54	5,270	5,005
IIF Tsukuba Manufacturing Center (land with leasehold interest)	9-1, Kouyodai 1-chome, Ryugasaki-shi, Ibaraki	Real property	17,721.03	1,320	954
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	14,700	16,157
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,300	38,312
IIF Zama IT Solution Center	1-78, Higashihara 5-chome, Zama-shi, Kanagawa	Trust beneficial interest	10,931.89	5,530	5,115
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	6,870	5,297
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,020	5,570
IIF Osaka Nanko IT Solution Center	1-23, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	18,435.93	2,420	1,212
IIF Nagoya Port Tank Terminal (land with leasehold interest)	37-31, Shiomi-cho, Minato-ku, Nagoya-shi, Aichi	Real property	51,583.70	2,240	1,998
IIF Shinagawa IT Solution Center	31-18, Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo	Trust beneficial interest	7,057.03	7,130	7,918
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	75-1, Shingo, Higashimatsuyama-shi, Saitama	Real property	12,880.38	754	729
<b>Total</b>			<b>1,487,477.41</b>	<b>323,919</b>	<b>272,297</b>

Note 1 "Location" means the location indicated in the land registry book or the residence indication.

Note 2 "Leasable area" means the leasable area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leasable area shows a total area of the building indicated in the registry book. Furthermore, "Leasable area" of IIF Narashino Logistics Center II is total of the leasable area of the leased land and that of the building on the leased land.

Note 3 "Fair value at end of period" shows the appraisal or researched value provided by the real estate appraiser in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of the Investment Corporation as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 4 The leasable area of IIF Shinonome Logistics Center in which the Investment Corporation owns 53% share of the trust beneficial interest is calculated multiplying the total leasable area by the share of quasi-co-ownership.

Note 5 As the Investment Corporation invests in IIF Narashino Logistics Center II both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately, "Leasable area" of the property shows total of the leasable area of the leased land (58,070.00m<sup>2</sup>) and that of the building on the leased land (25,835.16m<sup>2</sup>).

Operating results of each property for the fiscal period ended July 31, 2018 and January 31, 2019 were as follows:

Name of property	For the six months ended							
	July 31, 2018				January 31, 2019			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
IIF Shinonome Logistics Center	1	100.0	400	4.1	1	100.0	402	4.1
IIF Noda Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Shinsuna Logistics Center	1	100.0	179	1.8	1	100.0	179	1.8
IIF Atsugi Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Koshigaya Logistics Center	1	100.0	75	0.8	1	100.0	75	0.8
IIF Nishinomiya Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Narashino Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Narashino Logistics Center II (Note 4)	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Atsugi Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Yokohama Tsuzuki Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Saitama Logistics Center	1	100.0	66	0.7	1	100.0	66	0.7
IIF Nagoya Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Atsugi Logistics Center III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kawaguchi Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kobe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Higashi-Osaka Logistics Center	2	97.3	(Note 3)	(Note 3)	2	97.3	(Note 3)	(Note 3)
IIF Kashiwa Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Misato Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Iruma Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Tosu Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Inzai Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Morioka Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hiroshima Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kyotanabe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	For the six months ended							
	July 31, 2018				January 31, 2019			
	Number of tenants (Note1)	Occupancy ratio (Note2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note2) (%)	Number of tenants (Note1)	Occupancy ratio (Note2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note2) (%)
IIF Fukuoka Higashi Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Osaka Konohana Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Kazo Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Hamura Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Fukuoka Hakozaki Logistics Center I	3	100.0	( Note 3)	( Note 3)	3	100.0	( Note 3)	( Note 3)
IIF Fukuoka Hakozaki Logistics Center II (Note 5)	5	100.0	( Note 3)	( Note 3)	5	100.0	( Note 3)	( Note 3)
IIF Itabashi Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Sendai Taiwa Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Ota Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Osaka Suminoe Logistics Center I	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Osaka Suminoe Logistics Center II	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Morioka Logistics Center II	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Sapporo Logistics Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Hitachinaka Port Logistics Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Koriyama Logistics Center	2	100.0	( Note 3)	( Note 3)	2	100.0	( Note 3)	( Note 3)
IIF Kobe Nishi Logistics Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	154	1.6	1	100.0	154	1.6
IIF Yokohama Tsuzuki Technology Center	1	100.0	59	0.6	1	100.0	59	0.6
IIF Mitaka Card Center	1	100.0	364	3.8	1	100.0	364	3.7
IIF Kamata R&D Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Kawasaki Science Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Sagamihara R&D Center	2	100.0	( Note 3)	( Note 3)	1	90.1	( Note 3)	( Note 3)
IIF Yokohama Shinyamashita R&D Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Yokosuka Technology Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Shonan Technology Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Hiroshima Manufacturing Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)

Name of property	For the six months ended							
	July 31, 2018				January 31, 2019			
	Number of tenants (Note1)	Occupancy ratio (Note2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note2) (%)	Number of tenants (Note1)	Occupancy ratio (Note2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note2) (%)
IIF Totsuka Manufacturing Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Atsugi Manufacturing Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Tsukuba Manufacturing Center (land with leasehold interest)	-	-	-	-	1	100.0	( Note 3)	( Note 3)
IIF Kobe District Heating and Cooling Center	4	100.0	332	3.4	4	100.0	332	3.4
IIF Haneda Airport Maintenance Center	1	100.0	1,428	14.7	1	100.0	1,429	14.6
IIF Zama IT Solution Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Shinagawa Data Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Osaka Toyonaka Data Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Osaka Nanko IT Solution Center	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Nagoya Port Tank Terminal (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
IIF Shinagawa IT Solution Center	5	76.1	( Note 3)	( Note 3)	4	49.5	( Note 3)	( Note 3)
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	1	100.0	( Note 3)	( Note 3)	1	100.0	( Note 3)	( Note 3)
<b>Total (Note 6)</b>	<b>86</b>	<b>99.8</b>	<b>9,686</b>	<b>100.0</b>	<b>85</b>	<b>99.6</b>	<b>9,806</b>	<b>100.0</b>

Note 1 "Number of tenants" shows the number of lessee for the properties. The total column of "Number of tenants" shows the simple sum for the number of lessee.

Note 2 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Composition ratio of NOI" are calculated by rounding to the nearest first decimal place.

Note 3 Rental revenues are not disclosed because the consent from the tenants has not been obtained.

Note 4 As the Investment Corporation invests in IIF Narashino Logistics Center II both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately. Therefore, "Number of tenants" shows total of the number of tenant of leased land and that of the building.

Note 5 An extension building additionally was acquired on March 14, 2018.

Note 6 The total column of "Occupancy ratio" shows percentage of total leased area against total leasable area at the end of accounting period. Figures are rounded to the nearest first decimal place.

#### 4. Details of renewable energy generation facilities

None

#### 5. Details of operation rights of public facilities

None

#### 6. Details of investment securities

None

#### 7. Details of specified transaction

The details of specified transaction as of January 31, 2019 were as follows:

(Millions of yen)

Classification	Transaction	Notional contract amount		Fair value (Note 1)
			Over 1 year	
Over-the-counter	Interest rate swaps (Floating-rate to fixed-rate interest)	45,500	37,600	(1,322)
Total		45,500	37,600	(1,322)

Note 1 The fair value is estimated by the counterparty to the interest rate swaps contracts using market interest rates and other assumptions.

Note 2 The interest rate swaps for which the Investment Corporation had applied the special treatment provided under the Accounting Standards Board of Japan Statement No.10, "Accounting Standard for Financial Instruments" revised on March 10, 2008, are not required to be measured in the balance sheets.

#### 8. Other assets

Real property and trust beneficial interests in real property are included the above tables in "3. Details of property."

There was no other significant specified asset as of January 31, 2019.

## Capital expenditures for property

### 1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of January 31, 2019 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended January 31, 2019	Total of advanced payment
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal of disaster prevention equipment at M1 buildings	June, 2019	96	-	-
IIF Mitaka Card Center	Mitaka-shi, Tokyo	Renewal of chiller unit	May, 2019	73	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Repair of outer wall of main building and new building (1 to 3 areas)	July, 2019	72	-	-

### 2. Capital expenditures for the six months ended January 31, 2019

Maintenance expenditures on property for the six months ended January 31, 2019 were totaling to ¥834 million consisting of ¥742 million of capital expenditures stated as below and ¥92 million of repair and maintenance expenses charged to income.

(Millions of yen)

Name of property	Location	Purpose	Term for construction or maintenance	Capital expenditures
IIF Mitaka Card Center	Mitaka-shi, Tokyo	Renewal of CVCF (2nd)	July, 2018 to August, 2018	76
IIF Noda Logistics Center	Noda-shi, Chiba	Renewal of disaster prevention equipment at M2 buildings	May, 2018 to December, 2018	69
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of toilet, kitchenette and common space	November, 2018 to January, 2019	55
IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Repair of outer wall	December, 2018 to January, 2019	42
Other	-	-	-	498
Total				742

### 3. Reserved funds for long-term maintenance plan

None

## Condition of expenses and liabilities

### 1. Details of asset management expenses

(Thousands of yen)

Item	22nd fiscal period	23rd fiscal period
	For the six months ended July 31, 2018	For the six months ended January 31, 2019
(a) Asset management fees	861,157	874,827
(b) Asset custody fees	6,294	6,485
(c) Administrative service fees	31,373	32,446
(d) Directors' compensations	5,820	6,647
(e) Other operating expenses	92,468	112,168
<b>Total</b>	<b>997,112</b>	<b>1,032,575</b>

### 2. Loans payable

Loans payable as of January 31, 2019 were as follows:

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2018 (Millions of yen)	January 31 2019 (Millions of yen)					
Long-term loans payable	MUFG Bank, Ltd. (Note 2)	March 30, 2012	1,085	1,085	1.3 (Note 3)	March 29, 2019	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 2)		415	415					
	MUFG Bank, Ltd.	March 30, 2012	1,000	1,000	1.9 (Note 3)	March 30, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 30, 2012	1,500	1,500	1.6 (Note 3)	March 31, 2020	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 30, 2012	1,000	1,000	2.2	March 29, 2024	Lump sum	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 30, 2012	2,000	2,000	1.9	March 29, 2022	Lump sum	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 30, 2012	500	500	1.9 (Note 3)	March 31, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	March 30, 2012	1,500	1,500	1.3 (Note 3)	March 29, 2019	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	June 29, 2012	1,000	1,000	1.4	June 30, 2020	Lump sum	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 2)	June 29, 2012	583	583	1.2 (Note 3)	June 28, 2019	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	June 29, 2012	417	417	1.2 (Note 3)	June 28, 2019	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 2)	September 28, 2012	2,274	2,274	1.2 (Note 3)	September 30, 2019	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	September 28, 2012	1,626	1,626	1.2 (Note 3)	September 30, 2019	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 6, 2013	1,000	1,000	1.8	February 5, 2025	Lump sum	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2013	2,534	2,534	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		966	966					
	MUFG Bank, Ltd.	February 6, 2013	1,000	1,000	1.3	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 6, 2013	500	500	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	February 6, 2013	1,000	1,000	1.5 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	February 6, 2013	500	500	1.6	February 6, 2023	Lump sum	Note 5	Unsecured and unguaranteed

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2018 (Millions of yen)	January 31 2019 (Millions of yen)					
Long-term loans payable	Shinsei Bank, Limited	February 6, 2013	500	500	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2013	362	362	1.2 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		138	138					
	Sumitomo Mitsui Banking Corporation	February 6, 2013	500	500	1.2 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	June 28, 2013	2,000	2,000	1.8	June 28, 2024	Lump sum	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 28, 2013	2,500	2,500	1.7 (Note 3)	June 30, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	June 28, 2013	1,500	1,500	1.6 (Note 3)	June 30, 2022	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	The Nomura Trust and Banking Co., Ltd.	June 28, 2013	500	500	1.2 (Note 3)	June 30, 2020	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Resona Bank, Limited		500	500					
	The Yamaguchi Bank, Ltd.		500	500					
	MUFG Bank, Ltd.	October 18, 2013	7,500	7,500	1.4 (Note 3)	October 18, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	December 30, 2013	2,000	2,000	1.4 (Note 3)	December 29, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2014	700	700	1.3	August 6, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 6, 2014	900	900	1.2 (Note 3)	February 6, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	February 6, 2014	500	500	1.1	August 4, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Nishi-Nippon City Bank, Ltd.	February 6, 2014	500	500	1.0 (Note 3)	August 5, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2014	868	868	0.9 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		331	331					
	Development Bank of Japan Inc.	March 13, 2014	1,000	1,000	1.7	March 13, 2026	Lump sum	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 13, 2014	724	724	1.7 (Note 3)	March 13, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		276	276					
	MUFG Bank, Ltd.	March 13, 2014	1,158	1,158	1.3 (Note 3)	March 13, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		441	441					
	MUFG Bank, Ltd.	March 16, 2015	1,350	1,350	1.0	March 14, 2025	Lump sum	Note 5	Unsecured and unguaranteed
	Shinsei Bank, Limited	March 16, 2015	850	850	1.0 (Note 3)	March 14, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 16, 2015	850	850	1.0 (Note 3)	March 14, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 16, 2015	2,570	2,570	0.9 (Note 3)	September 13, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		979	979					
	The Chugoku Bank, LTD.	March 16, 2015	700	700	0.7 (Note 3)	September 15, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2015	1,000	1,000	1.3	March 31, 2027	Lump sum	Note 5	Unsecured and unguaranteed
	Meiji Yasuda Life Insurance Company	March 31, 2015	850	850	1.2	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2015	1,500	1,500	1.0	March 31, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2015	832	832	0.9 (Note 3)	September 30, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
Sumitomo Mitsui Trust Bank, Limited	317		317						
Mizuho Bank, Ltd.	April 15, 2016	800	800	0.5 (Note 3)	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
The Bank of Fukuoka, Ltd.	April 15, 2016	800	800	0.5	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
MUFG Bank, Ltd.	August 31, 2016	2,000	2,000	0.4	August 31, 2026	Lump sum	Note 6	Unsecured and unguaranteed	
MUFG Bank, Ltd.	February 17, 2017	1,600	1,600	0.5	August 15, 2025	Lump sum	Note 5	Unsecured and unguaranteed	
MUFG Bank, Ltd.	March 6, 2017	3,255	3,255	0.6	March 6, 2026	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		1,244	1,244						

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2018 (Millions of yen)	January 31 2019 (Millions of yen)					
Long-term loans payable	MUFG Bank, Ltd.	March 6, 2017	2,170	2,170	0.7	September 4, 2026	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		829	829					
	Sumitomo Mitsui Banking Corporation	March 6, 2017	1,500	1,500	0.5	March 6, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 17, 2017	2,099	2,099	0.6	September 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	MUFG Bank, Ltd.	March 17, 2017	1,000	1,000	0.5	March 17, 2026	Lump sum	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 17, 2017	1,000	1,000	0.9	March 16, 2029	Lump sum	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 17, 2017	1,500	1,500	0.5	March 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 17, 2017	1,000	1,000	0.6	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Nishi-Nippon City Bank, Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Norinchukin Bank	March 17, 2017	1,000	1,000	0.5	March 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2017	4,054	4,054	0.6	September 30, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,545	1,545					
	MUFG Bank, Ltd.	March 31, 2017	1,000	1,000	0.7	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 31, 2017	600	600	0.5	March 31, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Shinsei Bank, Limited	March 31, 2017	1,000	1,000	0.7	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2017	1,300	1,300	0.8	March 30, 2029	Lump sum	Note 6	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 31, 2017	1,200	1,200	0.6	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 29, 2017	2,791	2,791	0.3	September 30, 2022	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,009	1,009					
	MUFG Bank, Ltd.	September 29, 2017	2,938	2,938	0.7	September 30, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,062	1,062					
	MUFG Bank, Ltd.	September 29, 2017	2,791	2,791	0.9	September 28, 2029	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,009	1,009					
	MUFG Bank, Ltd.	February 1, 2018	2,099	2,099	0.5	August 1, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	JAPAN POST INSURANCE Co., Ltd.	February 1, 2018	2,300	2,300	0.9	February 1, 2030	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Mizuho Bank, Ltd.	February 1, 2018	700	700	0.7	February 1, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 27, 2018	2,500	2,500	0.7	August 31, 2028	Lump sum	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 27, 2018	2,500	2,500	0.9	February 28, 2030	Lump sum	Note 6	Unsecured and unguaranteed
Development Bank of Japan Inc.	March 7, 2018	400	400	0.7	September 7, 2028	Lump sum	Note 5	Unsecured and unguaranteed	
Sumitomo Mitsui Banking Corporation	March 7, 2018	400	400	0.6	September 7, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
Mizuho Bank, Ltd.	March 7, 2018	400	400	0.6	March 7, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
Mizuho Trust & Banking Co., Ltd.	March 7, 2018	1,100	1,100	0.6	March 7, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
MUFG Bank, Ltd.	March 9, 2018	1,808	1,808	0.3	September 9, 2021	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		692	692						

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31, 2018 (Millions of yen)	January 31, 2019 (Millions of yen)					
Long-term loans payable	MUFG Bank, Ltd.	March 9, 2018	3,618	3,618	0.7	March 9, 2028	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,382	1,382					
	MUFG Bank, Ltd.	March 9, 2018	724	724	0.8	March 9, 2029	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		276	276					
	MUFG Bank, Ltd.	March 30, 2018	796	796	0.3	September 30, 2021	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		303	303					
	MUFG Bank, Ltd.	March 30, 2018	434	434	0.6	September 30, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		165	165					
	Development Bank of Japan Inc.	March 30, 2018	1,200	1,200	0.7	September 29, 2028	Lump sum	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 30, 2018	1,000	1,000	0.3	September 30, 2021	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 30, 2018	600	600	0.6	September 30, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 30, 2018	500	500	0.6	March 31, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
		Sub-total		134,800	134,800				
	Total		134,800	134,800					

Note 1 The average interest rate indicates a weighted average interest rate for the period, rounded to the first decimal place.

Note 2 These long-term loans payable are current portion as of January 31, 2019.

Note 3 These long-term loans payable are hedged by interest rate swaps and the average interest rate of these long-term loans payable is calculated adjusting for the effect of the interest rate swaps.

Note 4 The Investment Corporation may repay all or part of principal of the loans payable on interest payment date.

Note 5 The funds were appropriated to acquisition of real estate property, etc.

Note 6 The funds were appropriated to repayment of outstanding loans payable.

### 3. Investment corporation bonds

Name of bonds	Issuance date	Balance as of		Interest rate (%)	Maturity date	Repayment method	Use of proceeds	Remarks
		July 31, 2018 (Millions of yen)	January 31, 2019 (Millions of yen)					
The 2 <sup>nd</sup> Unsecured Investment Corporation Bond	December 27, 2012	5,000	5,000	1.40	December 27, 2022	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 3 <sup>rd</sup> Unsecured Investment Corporation Bond	June 26, 2014	2,000	2,000	0.89	June 26, 2024	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 4 <sup>th</sup> Unsecured Investment Corporation Bond	December 26, 2016	3,000	3,000	0.40	December 25, 2026	Lump sum (Note)	Repayment of investment corporation bonds	Unsecured and unguaranteed
	Total	10,000	10,000					

Note The Investment Corporation may repurchase bonds at any time on or after the next day of issuance except for the case that transferring term is otherwise limited.

### 4. Short-term investment corporation bonds

None

### 5. Investment unit warrants

None

## Condition of investment transactions

### 1. Transactions of property and asset-backed securities, etc.

(Millions of yen)

Name of real property, etc.	Acquisition		Disposition			
	Date of acquisition	Acquisition cost (Note)	Date of disposition	Disposition amount (Note)	Net book value	Gain (loss) on disposition
IIFTsukuba Manufacturing Center (land with leasehold interest)	January 11, 2019	900	-	-	-	-
Total		900		-	-	-

Note The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

### 2. Transactions of other assets

Other assets than property or asset-backed securities, etc. are bank deposits and bank deposits in trust.

### 3. Research for specified assets value, etc.

#### (1) Property (Appraisal value)

(Millions of yen)

Acquisition /Disposition	Name of property	Date of acquisition /disposition	Acquisition Cost /Disposition amount (Note 1)	Appraisal value	Name of appraiser	Date of appraisal
Acquisition	IIFTsukuba Manufacturing Center (land with leasehold interest)	February 1, 2018	900	1,320	CBRE K.K.	December 1, 2018

Note 1 The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

#### (2) Other transaction

None

### 4. Transactions with interested parties

#### (1) Outline of transactions

No specified asset was acquired from or disposed to interested parties or major shareholders.

#### (2) Amounts of fees paid and other expenses

(Thousand of yen)

Classification	Total amount (A)	Transactions with interested parties or major shareholders		
		Name of counter party	Amount of payment (B)	(B) / (A)
Facility management fees	141,013	NIKKEN CORPORATION	4,459	3.2%

Note "Interested parties" means the interested parties related with the asset management company of the Investment Corporation as prescribed under Article 26, Item 27 of the Regulations for Management Reports by Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

### 5. Transactions with asset manager relating to other business than asset management

None

## **Financial information**

### **1. Financial position and operating results**

Please refer to the accompanying financial statements.

### **2. Changes in depreciation method**

None

### **3. Changes in valuation method of real property**

None

## **Outline of overseas real estate investment corporation**

### **1. Disclosure relating to overseas real estate investment corporation**

None

### **2. Disclosure relating to property held by overseas real estate investment corporation**

None

## Other information

### 1. Investment units held by the asset manager

Investment units held by the asset manager (Mitsubishi Corp.-UBS Realty Inc.) were as follows:

#### (1) Transactions of investment units held by the asset manager

Date	Number of units increased (Units)	Number of units decreased (Units)	Number of units held (Units)
January 1, 2015	(Note) 600	-	1,200
February 1, 2018	(Note) 3,600	-	4,800
Accumulated number	4,800	-	4,800

Note The Investment Corporation implemented a split of its investment units.

#### (2) Number of investment units held by the asset manager

Date	Number of investment units held at end of period (Units)	Aggregated value of investment units held at end of period (Note 1) (Thousands of yen)	Ratio of number of investment units held to number of investment units issued and outstanding
The 14th fiscal period (January 1, 2014 to June 30, 2014)	600	544,200	0.4%
The 15th fiscal period (July 1, 2014 to December 31, 2014)	600	666,000	0.4%
The 16th fiscal period (January 1, 2015 to June 30, 2015)	1,200	663,600	0.4%
The 17th fiscal period (July 1, 2015 to December 31, 2015)	1,200	691,200	0.3%
The 18th fiscal period (January 1, 2016 to June 30, 2016)	1,200	687,600	0.3%
The 19th fiscal period (July 1, 2016 to December 31, 2016)	1,200	668,400	0.3%
The 20th fiscal period (January 1, 2017 to July 31, 2017)	1,200	598,800	0.3%
The 21st fiscal period (August 1, 2017 to January 31, 2018)	1,200	599,040	0.3%
The 22nd fiscal period (February 1, 2018 to July 31, 2018)	4,800	578,880	0.3%
The 23rd fiscal period (August 1, 2018 to January 31, 2019)	4,800	558,240	0.3%

Note 1 "Aggregated value of investment units held at end of period" is calculated by market price of the investment securities on Tokyo Stock Exchange REIT Market at end of period.

## 2. Notice

The 7th General Meeting of Unitholders was held on October 30, 2018 and following matters were resolved at the meeting.

Resolution proposal	Summary
Resolution Proposal 1: Partial amendment of the Articles of Incorporation	Following amendments were resolved as proposal. (1) Establishment of provisions on the merger fees and the timing of payment of such fees in the event that IIF merges with another investment corporation. (2) Deletion of provision relating to the change of the Investment Corporation's Accounting Settlement Day and business period from the 20th fiscal period, due to the termination of the specified business period. (3) Other amendments in order to modify the words and phrases and to adjust provisions
Resolution Proposal 2: Appointment of one executive director	Yasuyuki Kuratsu was appointed as proposal.
Resolution Proposal 3: Appointment of three supervisory directors	Katsuaki Takiguchi , Kumi Honda and Eiji Sakomoto were appointed as proposal.
Resolution Proposal 4: Appointment of two alternate executive director	Hidehiko Ueda and Masa Moritsu were appointed as proposal.
Resolution Proposal 5: Appointment of one alternate supervisory director	Yutaka Usami was appointed as proposal.

## 3. Other

Figures less than unit indicated in each statement have been rounded down for amounts and rounded for ratio unless otherwise indicated in this presentation.