

Think bold today for a brighter tomorrow.



Industrial & Infrastructure Fund Investment Corporation
23rd 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 23rd Fiscal Period (Result: August 1, 2018 – January 31, 2019) 2,723 yen
- The 24th Fiscal Period (Forecast: February 1, 2019 – July 31, 2019) 2,933 yen

Highlight of the 23rd Period

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

*1 The figures for the 20th, 21st, 22nd, and 23rd 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 23rd period).

In this period, we held our 7th 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^{*1}, 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^{*2}. 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.

^{*1} 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.

^{*2} 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 23rd 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 23rd 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^{*1} 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 m² and an occupancy rate of 99.6%^{*2}. 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 24th 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 24th period).

As Japan's only REIT specializing in industrial properties^{*3}, IIF has cultivated manufacturing and research facilities and infrastructure facilities in recent years based upon our unique Corporate Real Estate (CRE) proposals^{*4}. 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 pursues 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

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

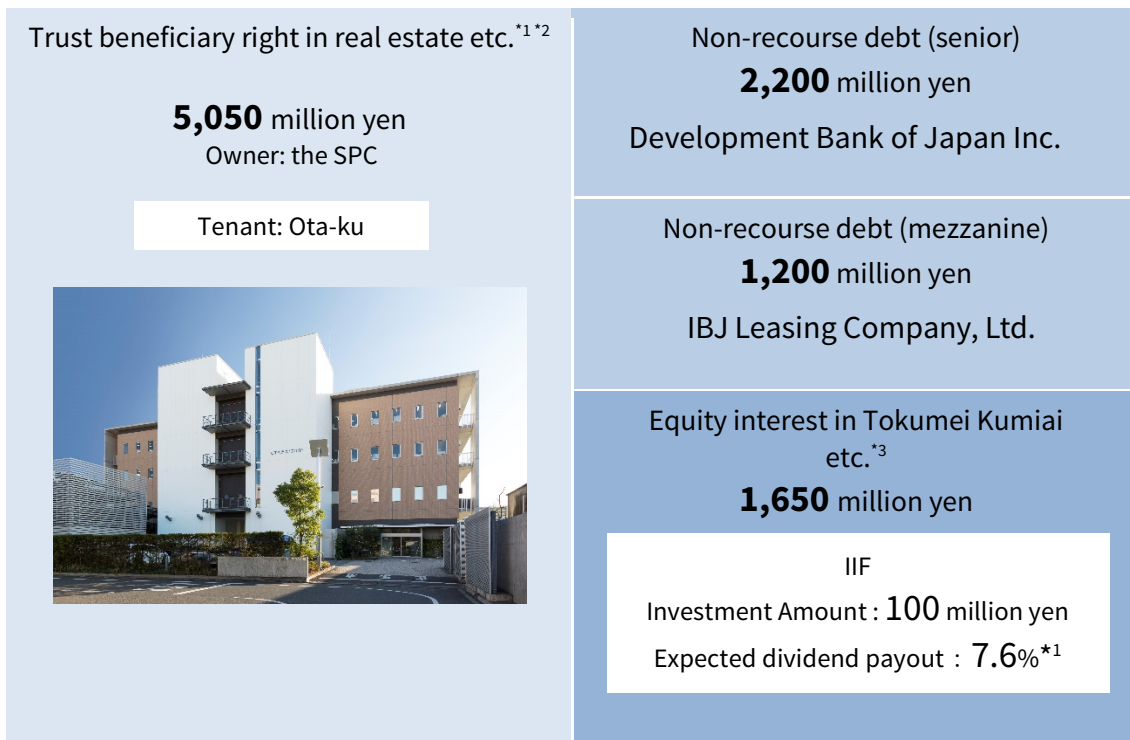
PRE

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

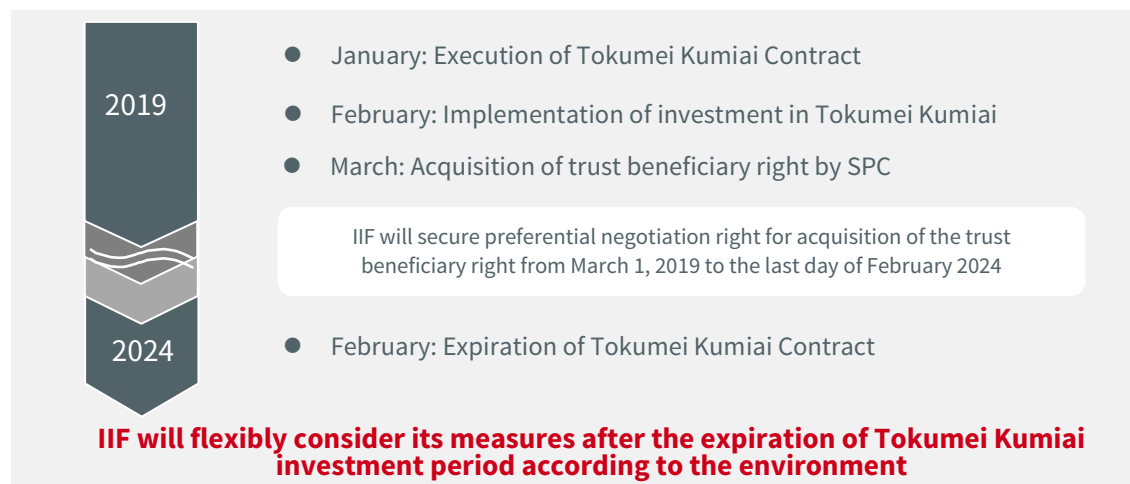
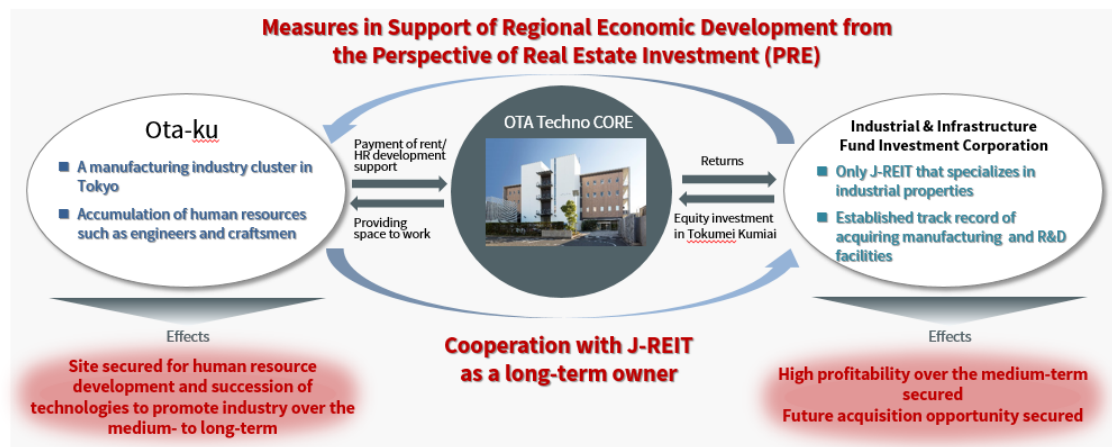


Image of measures for the creation of a sustainable society



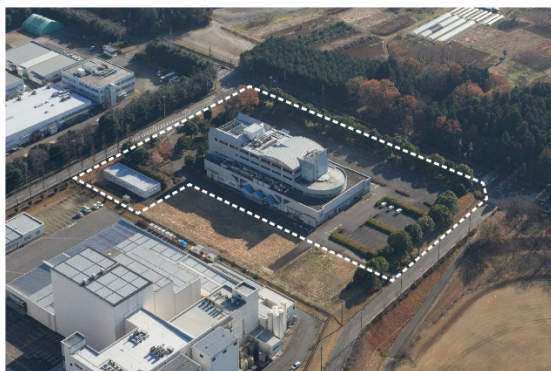
Property Acquired in the Fiscal Period Ended January 31, 2019 (the 23rd Period)

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 ² / 10,076.58 m ² |
| Structure | 4-story steel structure with galvanized steel sheet roof |
| NOI Yield ^{*1} | 5.2% (Portfolio average : 5.8%) |
| NOI Yield after depreciation ^{*2} | 2.1% (Portfolio average : 4.8%) |

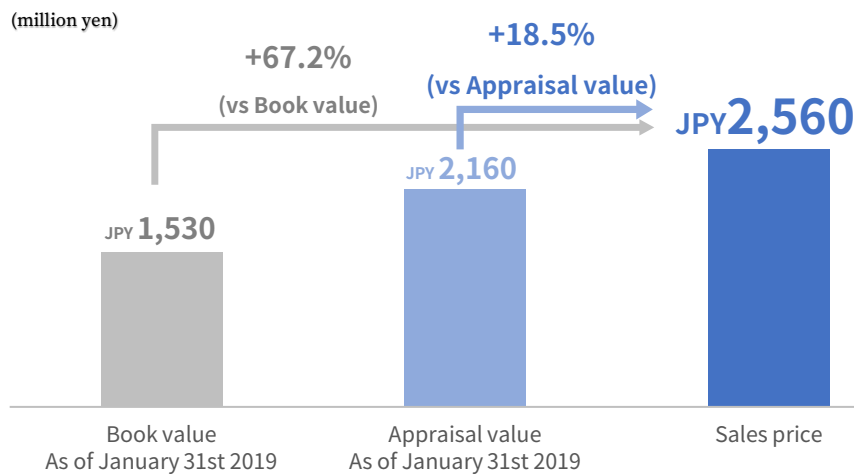
^{*1} NOI Yield = NOI ÷ Acquisition price of the property

^{*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 (23rd period) .

^{***} "Depreciation" is calculated by annualizing depreciation of the actual result of the period ended January 2019(23rd period) .

Realized Gain through disposition at a price well over appraisal value

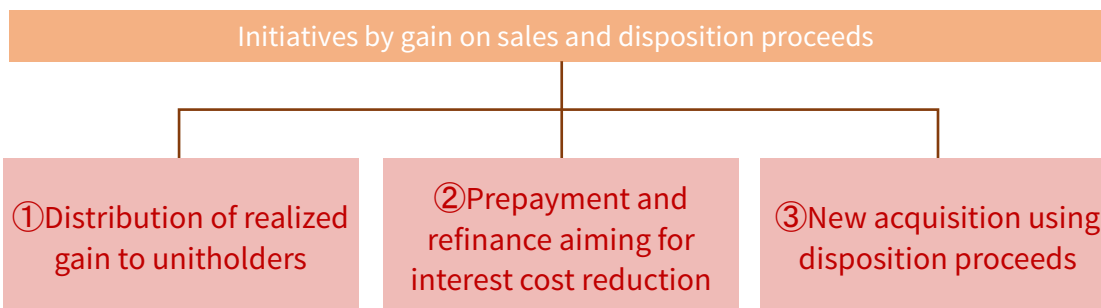


Achievement by disposition

- 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



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).

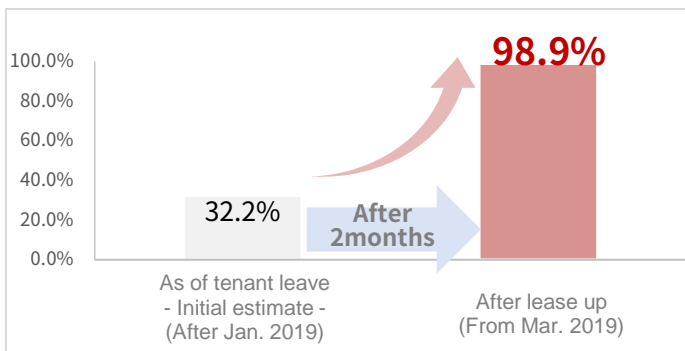
Internal Growth Measures Implemented in the Period Ended January 31, 2019 (the 23rd Period)

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.

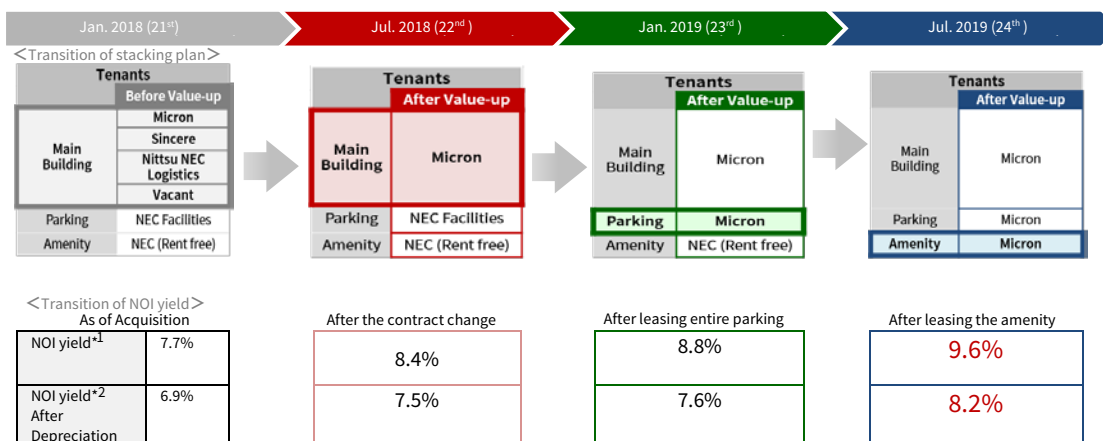
Point

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



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



Signatory of:



Signatory of:



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) | | (%) | (一) | (24.0) | (一) | (11.3) | (一) |
| 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 m², 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:

| (Yen) | | | | | |
|---------------------------------|-------------------|---------------------------------|--------------------------------------|---------------|------------------|
| Fiscal period | 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 st March 29, 2019 (50% of trust beneficial interest) 2 nd August 1, 2019 (50% of trust beneficial interest) |
| Disposition amount: | 1 st ¥1,280 million 2 nd ¥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 Nakagoshō, Nagano-shi, Nagano | 22,220 | 1.30 |
| The Chugoku Bank, LTD. | 15-20, Marunouchi 1-chome, Kita-ku, Okayama, Japan | 22,000 | 1.29 |
| Total | | 773,913 | 45.55 |

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 | Region | As of July 31, 2018 | | As of January 31, 2019 | |
|--|---|---------------------------------------|-------------------------------------|-------------------------|-------------------|-------------------------|-------------------|
| | | | | Total of net book value | Composition ratio | Total of net book value | Composition ratio |
| | | (Note 1) | | (Millions of yen) | (Note 2) (%) | (Millions of yen) | (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 below.

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

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

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

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

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 ²) | Leased area (Note 2) (m ²) | 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 ²) | 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-hama 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 ²) | 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 Sagamihara R&D Center | 1-35, Minamihashimoto 3-chome, Chuo-ku, Sagamihara-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, Tekkadori 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 ²) | 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 |
| Total | | | 1,487,477.41 | 323,919 | 272,297 |

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 (58,070.00m²) and that of the building on the leased land (25,835.16m²).

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 Sagami-hara 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) |
| Total (Note 6) | 86 | 99.8 | 9,686 | 100.0 | 85 | 99.6 | 9,806 | 100.0 |

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

Note 2 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "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 |
| Total | 997,112 | 1,032,575 |

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 nd 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 rd 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 th 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 |
| IIF Tsukuba 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 | IIF Tsukuba 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) |
| Facility management fees | 141,013 | NIKKEN CORPORATION | 4,459 |
| | | | (B) / (A) |
| | | | 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.