

Think bold today for a brighter tomorrow.



# Investor Presentation for the July 2019 (24th) Period ~ Appendix ~

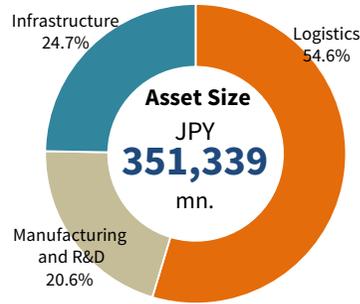
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# Our Portfolio (As of August 1, 2019)

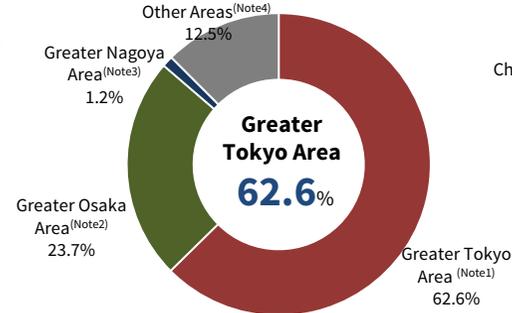


By Asset Category



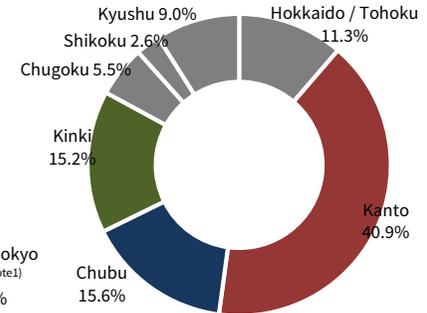
(Note) Based on appraisal price

By Area

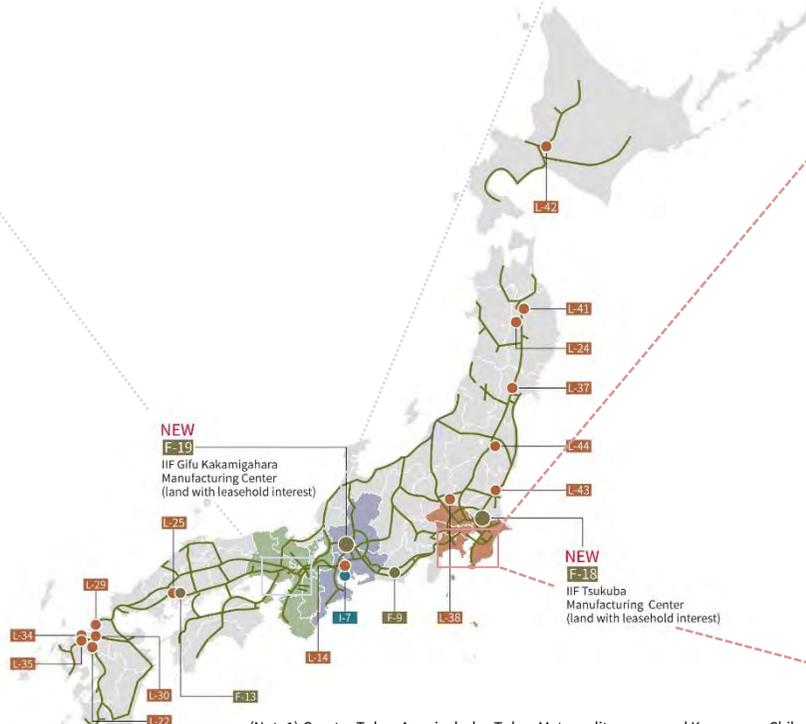


(Note) Based on appraisal price

(Reference) Regional Share of Japanese GDP



(Note) Cabinet Office, Japan, Annual Report on Prefectural Accounts for FY 2015 (released on August 31, 2018)



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

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

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

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

# Our Portfolio (As of August 1, 2019)

## Greater Tokyo Area<sup>(Note1)</sup> 38 properties

Logistics: 19 properties, Manufacturing/R&D: 14 properties, Infrastructure: 5 properties

 IIF Shinonome Logistics Center	 IIF Noda Logistics Center	 IIF Shinuna Logistics Center	 IIF Koshigaya Logistics Center	 IIF Narashino Logistics Center (land with leasehold interest)	 IIF Narashino Logistics Center II	 IIF Atsugi Logistics Center II	 IIF Yokohama Tsuzuki Logistics Center	 IIF Saitama Logistics Center	 IIF Atsugi Logistics Center III	 IIF Kawaguchi Logistics Center	 IIF Kashiwa Logistics Center	 IIF Misato Logistics Center
 IIF Iruma Logistics Center	 IIF Inzai Logistics Center	 IIF Kazo Logistics Center	 IIF Hamura Logistics Center	 IIF Itabashi Logistics Center	 IIF Akishima Logistics Center	 IIF Totsuka Technology Center (land with leasehold interest)	 IIF Yokohama Tsuzuki Technology Center	 IIF Mitaka Card Center	 IIF Kamata R&D Center	 IIF Kawasaki Science Center	 IIF Sagami R&D Center	 IIF Yokohama Shinyamashita R&D Center
 IIF Urayasu Machinery Maintenance Center (land with Leasehold interest)	 IIF Yokosuka Technology Center	 IIF Shonan Technology Center	 IIF Totsuka Manufacturing Center (land with leasehold interest)	 IIF Atsugi Manufacturing Center (land with leasehold interest)	 IIF Shin-Kawasaki R&D Center	 IIF Ichikawa Food Process Center	 IIF Haneda Airport Maintenance Center	 IIF Zama IT Solution Center	 IIF Shinagawa Data Center	 IIF Shinagawa IT Solution Center	 IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	

## Greater Osaka Area<sup>(Note2)</sup> 14 properties

Logistics: 11 properties  
Infrastructure: 3 properties

 IIF Nishinomiya Logistics Center	 IIF Kobe Logistics Center	 IIF Higashi-Osaka Logistics Center	 IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	 IIF Izumisano Food Processing and Logistics Center
 IIF Kyotanabe Logistics Center	 IIF Osaka Konohana Logistics Center	 IIF Osaka Suminoe Logistics Center I	 IIF Osaka Suminoe Logistics Center II	 IIF Kobe Nishi Logistics Center (land with leasehold interest)
 IIF Hyogo Tatsuno Logistics Center	 IIF Kobe District Heating and Cooling Center	 IIF Osaka Toyonaka Data Center	 IIF Osaka Nanko IT Solution Center	

## Greater Nagoya Area<sup>(Note3)</sup> 3 properties

Logistics: 1 property, Manufacturing/R&D: 1 property, Infrastructure: 1 property

 IIF Nagoya Logistics Center	 IIF Gifu Kakamigahara Manufacturing Center (land with leasehold interest)	 IIF Nagoya Port Tank Terminal (land with leasehold interest)
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## Other Area<sup>(Note4)</sup> 16 properties

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

 IIF Tosu Logistics Center	 IIF Morioka Logistics Center	 IIF Hiroshima Logistics Center	 IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	 IIF Fukuoka Higashi Logistics Center	 IIF Fukuoka Hakozaki Logistics Center I	 IIF Fukuoka Hakozaki Logistics Center II	 IIF Sendai Taiwa Logistics Center
 IIF Ota Logistics Center	 IIF Morioka Logistics Center II	 IIF Sapporo Logistics Center	 IIF Hitachinska Port Logistics Center (land with leasehold interest)	 IIF Koriyama Logistics Center	 IIF Kakegawa Manufacturing Center (land with leasehold interest)	 IIF Hiroshima Manufacturing Center (land with leasehold interest)	 IIF Tsukuba Manufacturing Center (land with leasehold interest)

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

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

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

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

# IIF Shin-Kawasaki R&D Center



## Key Points

- A younger-aged R&D facilities located in Shin-Kawasaki Area, in which a number of R&D facilities and other facilities gather, is acquired based on CRE proposal to Mitsubishi Logisnext Co., Ltd., one of the Mitsubishi Heavy Industry group companies
- Achieve rent increase with the scheduled tenant replacement without any downtime after IIF acquires the property: while the fixed-term building lease contract with the current tenant will be cancelled in April 2020 before maturity, the new fixed-term building lease agreement is already concluded with the replacing tenant, NEC Networks & System Integration Corporation, as its high-versatility as a R&D facility is appreciated

## Long-term Usability

- The 10-year non-cancellable fixed-term building lease contract is already concluded with the replacing tenant, NEC Network & System Integration Corporation, to secure long-term stability, by capturing the replacing tenant's needs during the period of the bridge scheme, based on the expectation that the current tenant would exit after the end of the non-cancellation period and the rent will increase

## Versatility

- Shin-Kawasaki area is close to Haneda Airport, and easily accessible from Shinjuku, Shinagawa and Tokyo by JR Shonan Shinjuku Line and Yokosuka Line
- This property locates in an area named "Keihin Coastal Area Life Innovation Comprehensive Special Zones for International Competitiveness Development", in which facilities for industry-academia collaboration and R&D facilities gather
- "Experiment building" is a highly-versatile building available for a wide variety of experiments, with a large-sized freight elevator, outdoor space for extension, ceiling height of 9.4m at 2-stories (1st and 2nd floors), 4.8m at 3rd floor and 6.0m at 4th floor, pillar spacing of 8.5~9.0m × 7.0~7.25m and floor-loading capacity of 1.5t/m<sup>2</sup>
- "Office building" is also equipped with highly-versatile specifications, such as ceiling height of 2.7m, pillar spacing of 6.4~7.0m × 10.0m and floor-loading capacity of 290kg/m<sup>2</sup>

(Note1) "Unrealized gain" is the difference between appraisal value and acquisition price. "Unrealized gain ratio" is derived by dividing unrealized gain by acquisition price. There is no assurance that such figure may realize. The same shall apply hereinafter.

(Note2) NOI is calculated by using the net operating income for the second fiscal year under the DCF method indicated in the appraisal report as of April 1, 2019, while for "After Tenant Replacement" by using the net operating income for the second fiscal year under the DCF method indicated in the appraisal report as of July 31, 2019. Depreciation expenses are calculated by annualizing an annual estimate for the fiscal period ending in January 2020. The same shall apply hereinafter.

(Note3) Remaining lease is calculated as of August 1, 2019. The same shall apply hereinafter.

(Note4) Remaining lease term of IIF Shin-Kawasaki R&D Center is based on fixed-term building lease contract between Replacing tenant, NEC Networks & System Integration Corporation ("New contract") effective on or after April 1, 2020.

Acquisition Price	<b>6,300million</b>
Appraisal Value	<b>8,510million</b>
Unrealized gain (Ratio) (Note1)	<b>+2,210million (+35.1%)</b>
NOI Yield (Note2)	<b>7.4%</b>
NOI Yield after depreciation (Note2)	<b>6.3%</b>

Tenant	(Current tenant) Mitsubishi Logisnext Co., Ltd. (Replacing tenant) NEC Networks & System Integration Corporation
Occupancy Rate	100.0%
Lease type	(Current tenant) Fixed-term lease contract (Replacing tenant) Fixed-term lease contract
Lease term (Remaining term) (Note3)	(Current tenant) 10.0 years (10.7 years) <sup>(Note4)</sup> (Replacing tenant) 10.0 years
Cancellation before maturity / Rent revision	(Current tenant) Not allowed for 2 years / Not allowed (Replacing tenant) Not allowed/Not allowed

- Located in Shin-Kawasaki area with industry-academia collaboration facilities and R&D facilities, designated as "Keihin Coastal Area Life Innovation Comprehensive Special Zones for International Competitiveness Development"



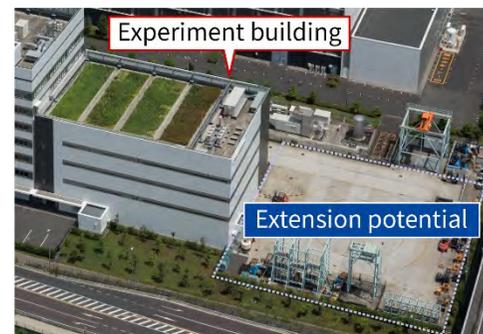
# IIF Shin-Kawasaki R&D Center (Cont'd)

- Highly-versatile R&D facility with space for extension within the site

2 building allocation of Office building/ Experiment building



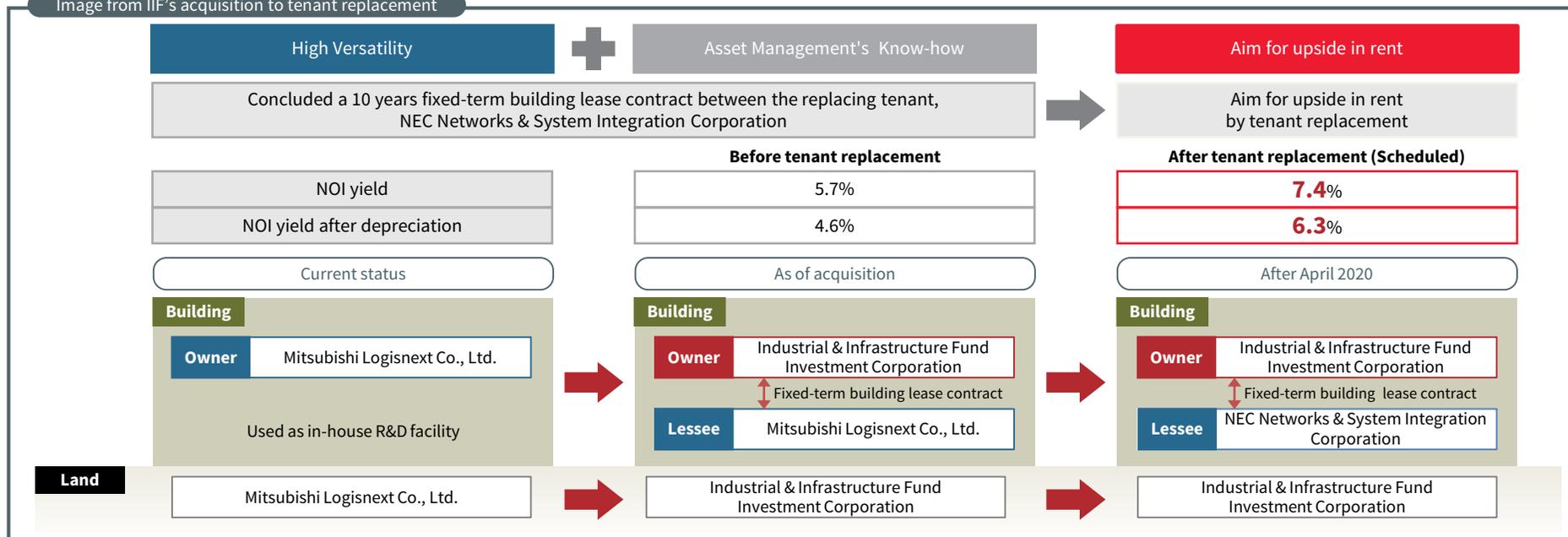
Extension potential within the site (Note)



- Conduct flexible leasing activities towards IIF's acquisition and aim for upside in rent

Plan to acquire R&D facilities through IIF's CRE proposal with focus on high versatility and upside in rent. By utilizing asset manager's network or know-how and property's versatility, the new fixed-term building lease contract was executed with replacing tenant, NEC Networks & System Integration Corporation, in December 2018, and IIF aims to achieve upside in rent from April 2020

Image from IIF's acquisition to tenant replacement



(Note) IIF has not decided to pursue extension project of the land outlined by the dotted line, and has no plans for extension project as of today.

# IIF Ichikawa Food Processing Center



## Key Points

- Acquisition of a property with strong likelihood of long-term use by the tenant and improved stability in earnings, by use of the functions for adding value provided by the sponsor group, to meet the tenant's needs for long-term use as a primary base
- Facility equipped with an ultra-low temperature storage that is capable of accepting needs for almost all temperature zones, and rare plant and refrigeration warehouse for tenant that is available for the whole process of processing, refrigeration storage and shipment of fishery product
- Location proximity to central Tokyo with good traffic access to broader areas through expressways, railroads and ports

### Long-term Usability

- High degree of continuity backed by a building lease agreement with a lease term of 20 years (non-cancellable in principle)
- Property with its capability to conduct whole process of fishery product, cold storage and shipment for distribution of fishery product from Port of Chiba and Port of Tokyo
- Highly valuable-property for tenant that is capable of accepting needs for almost all temperature zones with an ultra low-temperature storage

### Versatility

- Location adjacent to central Tokyo, the large consumption area, and within approx. 2.8km distance from Wangan Ichikawa IC on Higashi-Kanto Expressway providing broad area access through Tokyo-Outer Ring Road
- Versatile specifications with effective ceiling height of 5.2m at 1st to 5th floor, floor-loading capacity of 1.5t/m2 or more, and four cargo elevators and six pallet lifters
- Building renovated by the seller, with the refrigerators installed by the tenant

Acquisition Price	6,200million
Appraisal Value	6,330million
Unrealized gain (Ratio)	130million (2.1%)
NOI Yield	4.5%
NOI Yield after depreciation	4.1%

Tenant	Hyoshoku Co., Ltd, etc.
Occupancy Rate	100.0%
Lease type	Fixed-term building lease contract
Lease term (Remaining term)	20.0 years (17.7 years)
Cancellation before maturity / Rent revision	Not allowed in general / Not allowed

■ Value-add renovation by Mitsubishi Corporation Urban Development, Inc.

### Key points of value up

- Renovation of exterior wall/cargo handling facilities
- Renovation of old facilities
- Renewal to the longer lease contract

Before renovation



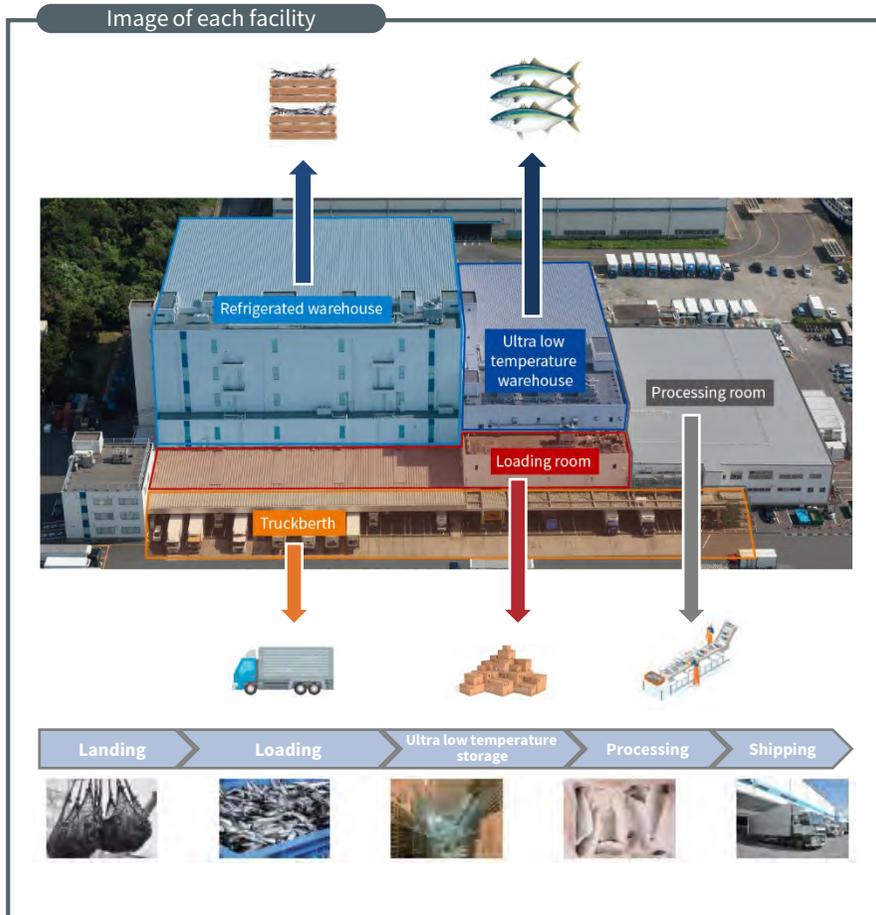
After renovation



# IIF Ichikawa Food Processing Center (Cont'd)

- Acquired a rare plant and refrigerated warehouse that is built to handle entire process from loading to process of fishery product, refrigeration storage and shipment

Not only processing of fishery product, the plant is capable of handling entire process from refrigeration storage to shipment. Long-term usage is expected acting as the property being an important hub near central Tokyo with good traffic access for shipment to large consumption areas



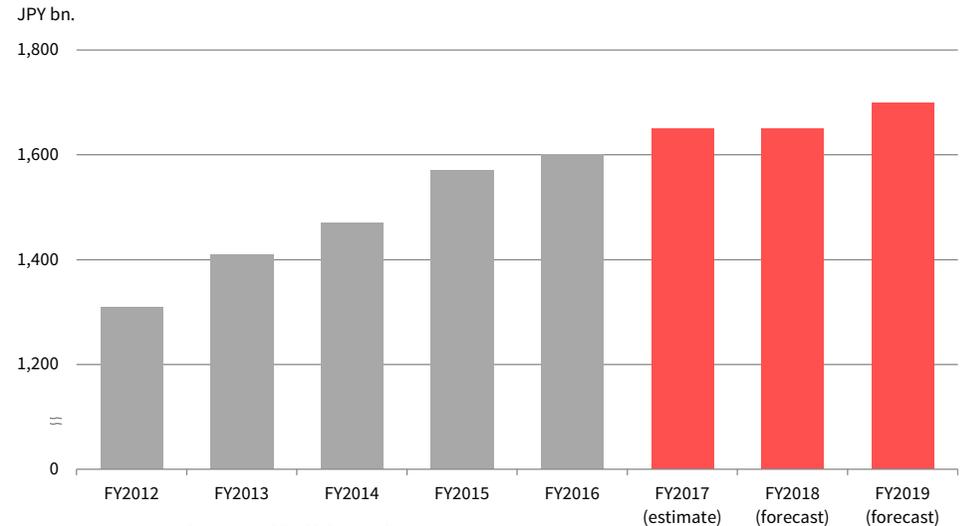
- Facility is rare and valuable refrigeration warehouse for tenant equipped with an ultra low temperature warehouse of accepting needs for almost all temperature zones

### Capable temperature zones

-50°C		-40°C		-30°C		-20°C		-10°C		-2°C		10°C	
F4	F3	F2	F1	C1	C2	C3	-	-	-	-	-	-	-
[Ultra low]		[Freeze]		[Refrigerator]				[Room Temp.]		[Heat]		-	

- Steady Expansion of Market Size in Cold Chain Business

### Market Size in Cold Chain Business



# IIF Tsukuba Manufacturing Center (land with leasehold interest)



## Key Points

- Acquisition through a direct negotiation after IIF offered a CRE proposal to IDEC Corporation, a major control instrument manufacturer in business for about 70 years
- Acquisition of the land with leasehold interest used as a factory site located in a prime location suitable for securing a workforce in "Tsukuba-no-sato Industrial Park" within Tsukuba International Strategic Zone near the residential areas
- High potential as a logistics site, underpinned by the new opening of the section of Ken-O Expressway from Sakai-Koga IC to Tsukuba-Chuo IC in February 2017

## Long-term Usability

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

## Versatility

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

Acquisition Price	900million
Appraisal Value	1,320million
Unrealized gain (Ratio) (Note1)	+420million (+46.7%)
NOI Yield	8.3%
NOI Yield after depreciation	8.3%
Tenant	IDEC Corporation
Occupancy Rate	100.0%
Lease type	Fixed-term leasehold for business purposes
Lease term (Remaining term)	30.0 years (28.7 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Not allowed in principle

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



# IIF Gifu Kakamigahara Manufacturing Center (land with leasehold interest)



## Key Points

- Acquire the land with leasehold interest for the important site of Terumo Clinical Supply Co.,Ltd., used as its headquarters and manufacturing facilities, based on the CRE proposal offered to a major domestic manufacturer
- Acquire highly-versatile land with leasehold interest for manufacturing facilities, located near Gifu Kakamigahara Logistics Center (provisional name) completed in February 2019, which can be converted into the land for logistics or other types of facilities

## Long-term Usability

- High degree of continuity backed by the 30-year land lease agreement (including the 2-year non-cancellation period) (Note 1)
- Terumo Clinical Supply Co.,Ltd., the tenant, is a wholly-owned subsidiary of Terumo Corporation, belonging to Terumo Cardiovascular Group that accounts for approx. 55% of total revenues of the entire Terumo Group for the fiscal period ended March 31, 2018, and enjoys stable business performance

## Versatility

- Highly-versatile land with leasehold interest used as a factory site that can be converted into logistics or other types of facilities site. Located near Gifu Kakamigahara Logistics Center (provisional name), regarding which the construction completed in February 2019 and IIF has the preferential negotiation right (Note 2)
- Located within approx. 20.0km from central Nagoya, a large consumption area, the property provides access to extensive areas via the Gifu-Kakamigahara Interchange (approx. 4.0km) and the Ichinomiya-Kisogawa Interchange (approx. 4.7km), both on the Tokai-Hokuriku Expressway

(Note 1) 2-years prior notice is required if the tenant desires to terminate the contract before expiration.

(Note 2) IIF has not decided to acquire the trust beneficiary right in Gifu Kakamigahara Logistics Center (provisional name) and is not scheduled to acquire the trust beneficiary right as of today.

Acquisition Price	<b>225million</b>
Appraisal Value	<b>264million</b>
Unrealized gain (Ratio) (Note1)	<b>+39million (+17.3%)</b>
NOI Yield	<b>5.4%</b>
NOI Yield after depreciation	<b>5.4%</b>
Tenant	Terumo Clinical Supply Co., Ltd.
Occupancy Rate	100.0%
Lease type	Ordinary lease
Lease term (Remaining term)	30.0 years (29.7 years)
Cancellation before maturity / Rent revision	Not allowed for 2 years (Note 1) / Not allowed in general

- Located near Gifu Kakamigahara Logistics Center (provisional name), completed in February 2019

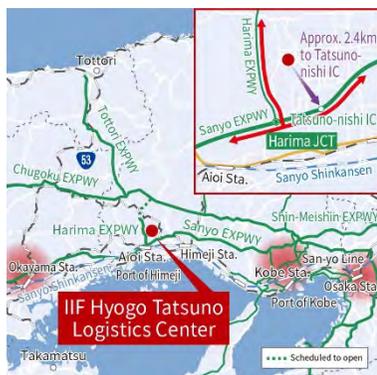
Gifu Kakamigahara Logistics Center (provisional name)



IIF secures the preferential negotiation right for acquisition of the trust beneficiary right over the land and building (Note 2)



# IIF Hyogo Tatsuno Logistics Center



## Key Points

- Acquisition based on a CRE proposal to Hitachi Transport System, Ltd., a major 3PL<sup>(Note)</sup> company
- Property functioning as a core distribution facility of the tenant at a competitive location, adjacent to Tatsuno-Nishi IC on Sanyo Expressway, for broad area distribution covering extensive areas including Osaka, Chugoku and Shikoku areas

## Long-term Usability

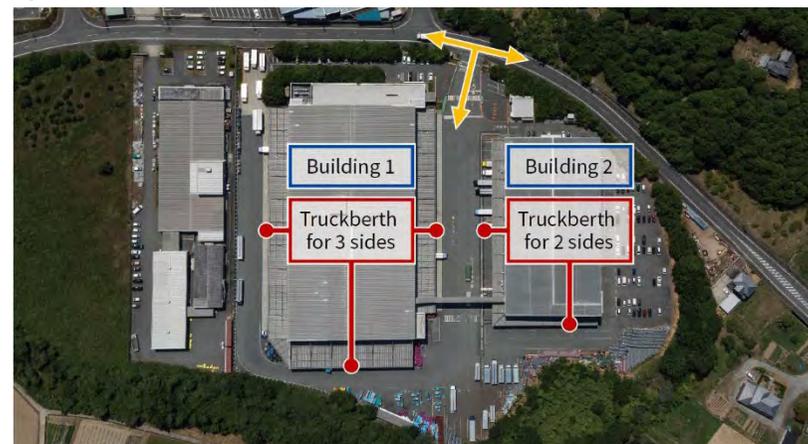
- High degree of continuity backed by a building lease agreement with a lease term of 10 years (non-cancellable period of 5 years)
- Core distribution facility of the tenant, covering extensive areas including Osaka, Chugoku and Shikoku areas

## Versatility

- Facility located within approx. 2.4km distance from Tatsuno-Nishi IC on Sanyo Expressway, at the halfway point between Kobe and Okayama, which enables the tenant to cover Osaka, Chugoku and Shikoku areas
- Location in an area with a number of plants and logistics facilities in Harima Tatsuno Industrial Park, allowing for 24-hour operation and frequent operation of distribution
- Highly versatile property consisted of two buildings: 1st building with pillar spacing of 11.2m × 9.8m, floor-loading capacity of approx. 1.2t/m<sup>2</sup>, ceiling height of 6.6m (1st Floor) and 7.5m (2nd Floor), truckberth for 3 sides, and 2nd building with pillar spacing of 9.3m × 9.0m, ceiling height of 6.47m (1st Floor) and 7.09m (2nd Floor), truckberth for 2 sides

Acquisition Price	<b>3,915million</b>
Appraisal Value	<b>4,380million</b>
Unrealized gain (Ratio) (Note1)	<b>+465million (+11.9%)</b>
NOI Yield	<b>5.6%</b>
NOI Yield after depreciation	<b>4.7%</b>
Tenant	Hitachi Transport System, Ltd.
Occupancy Rate	100.0%
Lease type	Fixed-term building lease contract
Lease term (Remaining term)	10.0 years (8.7 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Not allowed in general

## Highly efficient facility equipped with multiple truckberths



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

# IIF Akishima Logistics Center



## Key Points

- Important business location for the long-term tenant, Tokyo Logistics Factory Co., Ltd., which is a subsidiary of Tokyo System Transportation Holdings Inc. based in Western Tokyo
- Stable contractual relationship with Tokyo Logistics Factory Co., Ltd., the tenant of IIF's acquired property of IIF Atsugi Logistics Center III, resulting in conclusion of the longer-term lease contract before acquisition
- Facility located within approx. 1.5km distance from National Route 16 and approx. 6.0km distance from Hachioji IC on Chuo Expressway, easily accessible to the central Tokyo and entire Tokyo metropolitan area

## Long-term Usability

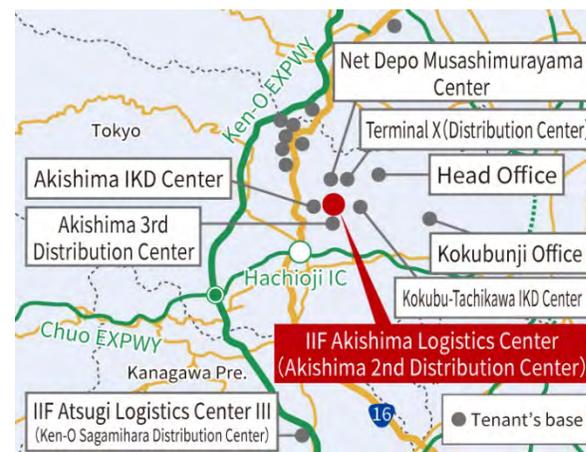
- Important business location occupied for years by Tokyo Logistics Factory Co., Ltd., a subsidiary of Tokyo System Transportation Holdings Inc. based in Western Tokyo
- Akishima and surrounding areas are important areas for tenant, in which Tokyo System Transportation Holdings Inc. is headquartered and tenant-related facilities are located
- Immediately after the bridge seller acquired the property, the lease agreement (without non-cancellable period) has been renewed to 5 years lease agreement (with non-cancellable period of 5 years) by addressing the tenant's needs for long-term use and offering added value through renovation works, etc.
- Location within approx. 6.0km distance from Hachioji IC on Chuo Expressway, enabling the tenant to engage in broad area distribution to central Tokyo and the Tokyo metropolitan area, via National Route 16 through National Route 20. Broad distribution which covers west side of Greater Tokyo is also possible by National Route 16

## Versatility

- Competitiveness in securing a workforce based on its location within approx. 0.7km distance from Akishima Station on JR Oume Line and the neighboring residential area in the southern part of Akishima where the property locates
- 24-hour operation allowed in this location surrounded by a number of plants and logistics facilities
- Versatile specifications with floor-loading capacity of 2.0t/m<sup>2</sup> at 1st Floor and 1.5t/m<sup>2</sup> at 2nd to 4th Floor, ceiling height of 5.3m (1st Floor) and 4.5m (2nd to 4th Floor) and pillar spacing of 9.0m

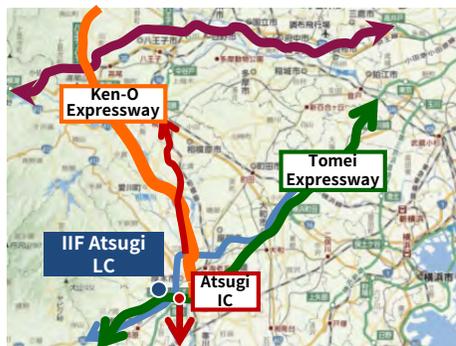
Acquisition Price	8,019million
Appraisal Value	8,520million
Unrealized gain (Ratio) (Note1)	+500million (+6.2%)
NOI Yield	4.3%
NOI Yield after depreciation	4.0%
Tenant	Tokyo Logistics Factory Co. Ltd.
Occupancy Rate	100.0%
Lease type	Ordinary lease
Lease term (Remaining term)	5.0 years (4.2 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Not allowed in general

## ■ Tenant hubs concentrate around Akishima City



# IIF Atsugi Logistics Center : Realized gain on sales and improved portfolio profitability

Profitability improvement through disposition of asset with NOI yield after depreciation of 2.1%, which is much lower than portfolio average



### Property Characteristics

- Located approximately 2 km from Atsugi IC, which enables the tenant to cover broad metropolitan area by Tomei expressway and Ken-O Expressway
- Truckberth at northeast side of facility newly developed in July 2012 enables 6 trucks to park
- Expansion of rest room and installation of air conditioners on every floor brings high usability to tenant

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

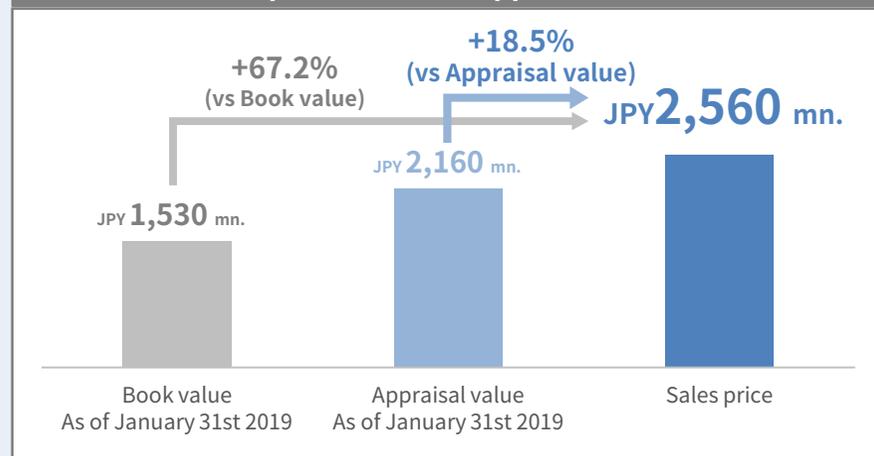
(Note 1) NOI Yield = NOI ÷ Acquisition price of the property

(Note 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

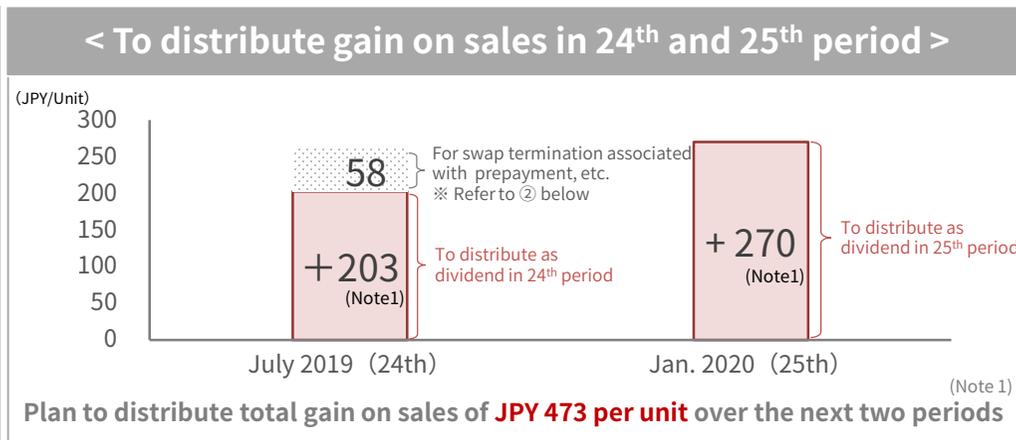
March 29th, 2019 (First 50% ownership)  
August 1st, 2019 (Remaining 50% ownership)

# IIF Atsugi Logistics Center : Plan to further improve profitability using gain on sales and disposition proceeds

## Initiatives using gain on sales and disposition proceeds

### Initiatives by gain on sales and disposition proceeds

#### ① Distribution of realized gain to unitholders



#### ② Prepayment and refinance aiming for interest cost reduction

< Prepayment and refinance using gain on sales > (Note 2)

	Loan amount	Average remaining period	Average applicable interest rate	
Before refinancing	JPY 7.85bn.	1.2years	1.33%	
After Refinancing	<b>JPY 7.85bn.</b>	<b>8.6years (+7.4years)</b>	<b>0.42% (▲0.91pt)</b>	<b>DPU increase +JPY 20</b>

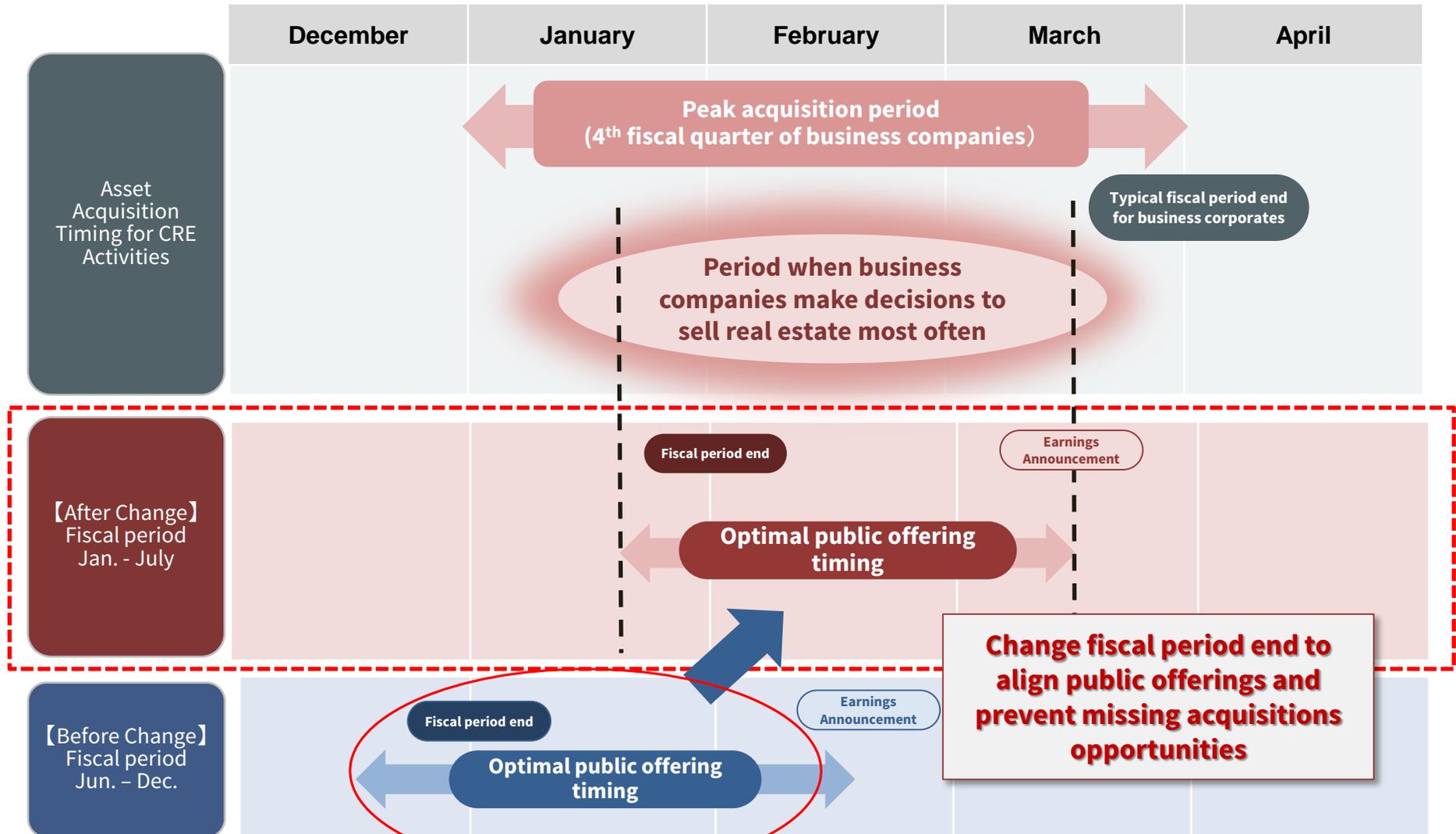
(Note 1) "Gain on sales" is the estimation based on the disposition price, the book value of the property to be disposed at scheduled delivery date, the estimated cost to be expensed in relation to the disposition (brokerage fee, etc.) and costs related the cancellation of swap interest rate agreement. The figure is a reference value calculated by the Asset Manager, and the actual dividend may differ greatly from the reference value due to other factors.

(Note 2) "Average remaining period" and "Average applicable interest rate" after refinancing is calculated based on the loan agreement executed on March 13, 2019. "DPU increase" is the estimation based on the "Average applicable interest rate". There is no assurance for the realization of the figure shown. The actual dividend may defer due to the factors other than the "Average applicable interest rate".

# Change of Fiscal Period (1)

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

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

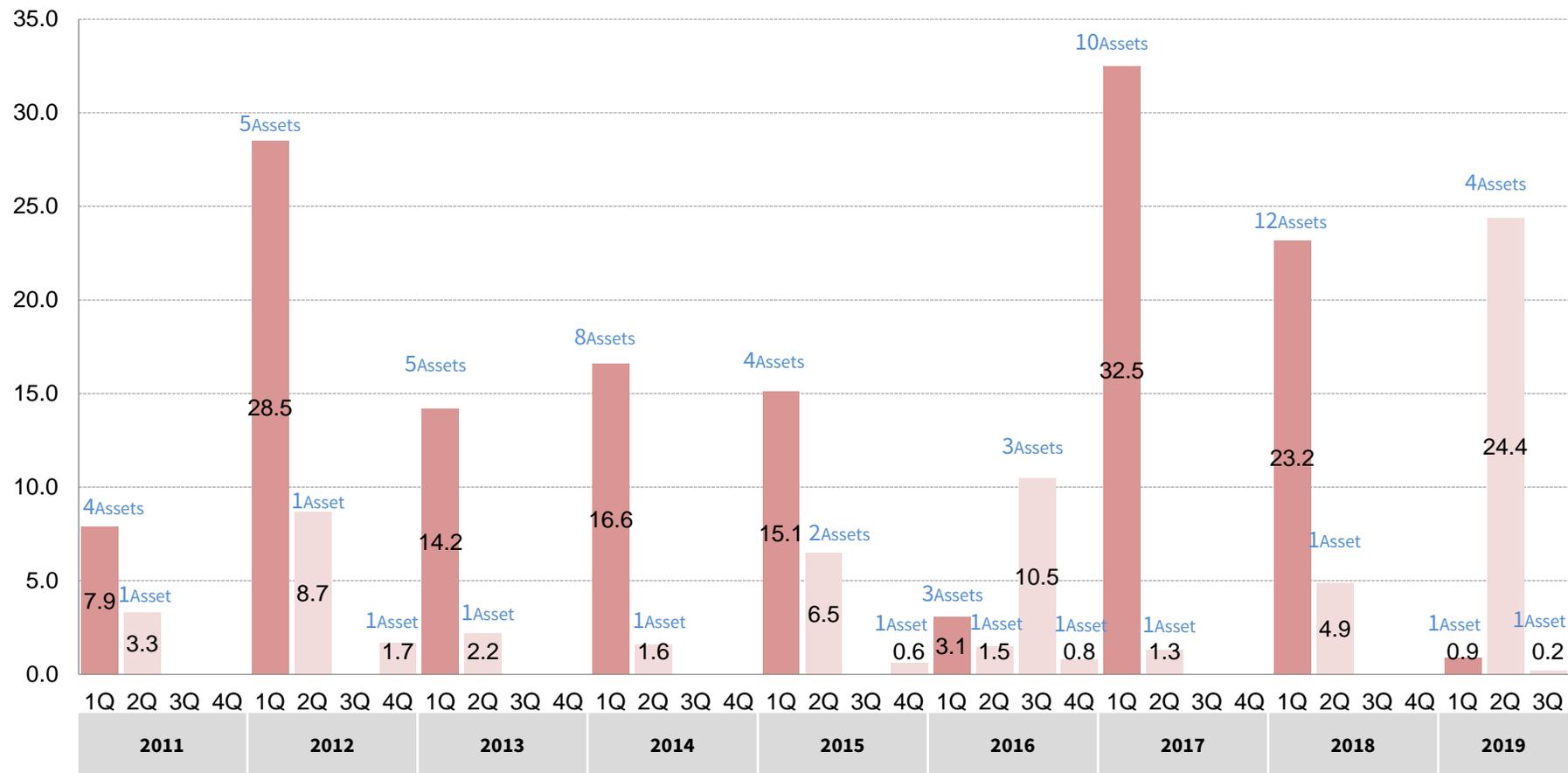


# Change of Fiscal Period (2)

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

## ■ Acquisition timing, price and number of property

Total Acquisition Price  
(JPY bn.)



Announcement Date  
of Public Offering

Feb. 21st    Feb. 15th    Jan. 16th    Jan. 15th    Feb. 25th    —    Jan. 24th    Feb. 20th    May. 14th

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

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

## Temporary distribution in excess of profit

Policy Introduced in 2016

Response to Tax Code Reform in 2016

Item

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

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

Summary

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

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

Tax treatment of distributions

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

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

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

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

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

# Overview of Temporary Distribution in Excess of Profit ②

## Introduction of temporary distribution in excess of profit

### Policy Introduced in 2016

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

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

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

### Distribution Policy

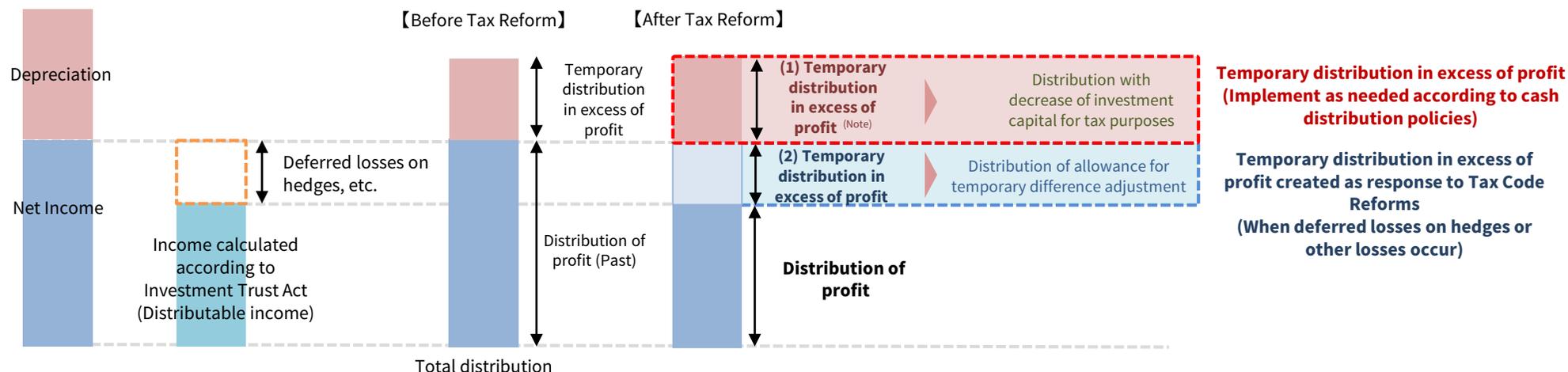
- ✓ When dilution or incurrence of considerable expense in connection with the acquisition of assets or issuance of new investment units is expected and the amount of distribution per unit is likely to temporarily decrease in a certain amount, IIF may distribute the amount of cash determined by IIF as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

### Distribution Standards

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

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

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



(Note) Limited to 60% of depreciation expense

# Our Portfolio (1) (As of August 1, 2019)

## Logistics Facilities

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (JPY mn.)		Appraisal Value as of the End of Period (JPY mn.) (Note 3)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)	
						Percentage		Percentage		Percentage			
L-1	IIF Shinonome Logistics Center (Note 7)	Koto-ku, Tokyo	Feb 2006	13.5 years	13,700	4.6%	17,172	4.9%	27,493.29㎡	1.7%	100.0%	4.6%	
L-4	IIF Noda Logistics Center	Noda-shi, Chiba	Mar 2006	13.4 years	6,500	2.2%	9,100	2.6%	38,828.10㎡	2.5%	100.0%	0.3%	
L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	Jun 1998	21.2 years	5,300	1.8%	7,460	2.1%	5,741.75㎡	0.4%	100.0%	6.4%	
L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	Sep 1985	33.9 years	2,000	0.7%	2,780	0.8%	10,113.50㎡	0.6%	100.0%	2.6%	
L-8	IIF Nishinomiya Logistics Center	existing building extension building	Nishinomiya-shi, Hyogo	May 1997	22.2 years	1,300	0.4%	3,000	0.9%	10,608.00㎡	0.7%	100.0%	9.9%
				May 2016	3.2 years	859	0.3%			6,592.00㎡	0.4%	100.0%	6.7%
L-9	IIF Narashino Logistics Center (land with leasehold interest)	Narashino-shi, Chiba	—	—	1,190	0.4%	2,880	0.8%	19,834.71㎡	1.3%	100.0%	—	
L-10	IIF Narashino Logistics Center II (Note 8)	(land with leasehold interest) (building with leasehold interest)	Narashino-shi, Chiba	—	—	3,350	1.1%	6,360	1.8%	58,070.00㎡	3.7%	100.0%	—
				Apr 1991	28.3 years	1,200	0.4%			25,835.16㎡	1.6%	100.0%	9.2%
L-11	IIF Atsugi Logistics Center II	Atsugi-shi, Kanagawa	Oct 1992	26.8 years	3,100	1.0%	4,050	1.2%	20,661.13㎡	1.3%	100.0%	7.6%	
L-12	IIF Yokohama Tsuzuki Logistics Center	Yokohama-shi, Kanagawa	Sep 1998	20.9 years	2,350	0.8%	3,420	1.0%	9,464.03㎡	0.6%	100.0%	8.7%	
L-13	IIF Saitama Logistics Center	Saitama-shi, Saitama	Dec 1989	29.6 years	1,490	0.5%	2,130	0.6%	8,995.00㎡	0.6%	100.0%	4.2%	
L-14	IIF Nagoya Logistics Center	Nagoya-shi, Aichi	Apr 1990	29.3 years	1,050	0.4%	1,620	0.5%	8,721.01㎡	0.6%	100.0%	9.1%	
L-15	IIF Atsugi Logistics Center III	Atsugi-shi, Kanagawa	Oct 1981	37.8 years	2,290	0.8%	3,120	0.9%	16,584.64㎡	1.0%	100.0%	7.3%	
L-16	IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Apr 2002	17.3 years	1,770	0.6%	4,470	1.3%	11,705.02㎡	0.7%	100.0%	10.7%	
L-17	IIF Kobe Logistics Center	Kobe-shi, Hyogo	Jan 2001	18.5 years	5,193	1.7%	7,720	2.2%	39,567.74㎡	2.5%	100.0%	5.5%	
L-18	IIF Higashi Osaka Logistics Center	Higashi Osaka-shi, Osaka	Nov 1991	27.7 years	2,280	0.8%	3,240	0.9%	20,495.06㎡	1.3%	97.3%	9.0%	
L-19	IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Nov 1990	28.7 years	1,810	0.6%	2,950	0.8%	17,379.78㎡	1.1%	100.0%	4.4%	
L-20	IIF Misato Logistics Center	Misato-shi, Saitama	Feb 2007	12.5 years	3,550	1.2%	5,430	1.5%	19,019.71㎡	1.2%	100.0%	4.0%	
L-21	IIF Iruma Logistics Center	Iruma-shi, Saitama	Dec 2010	8.6 years	3,184	1.1%	4,160	1.2%	17,881.65㎡	1.1%	100.0%	5.8%	
L-22	IIF Tosu Logistics Center	Tosu-shi, Saga	Feb 2007	12.5 years	1,570	0.5%	1,990	0.6%	13,862.05㎡	0.9%	100.0%	0.8%	
L-23	IIF Inzai Logistics Center	Inzai-shi, Chiba	Feb 2007	12.4 years	1,060	0.4%	1,370	0.4%	5,490.00㎡	0.3%	100.0%	4.7%	
L-24	IIF Morioka Logistics Center	Shiwa-gun, Iwate	Aug 2005	14.0 years	600	0.2%	1,240	0.4%	8,001.57㎡	0.5%	100.0%	1.9%	
L-25	IIF Hiroshima Logistics Center	Hiroshima-shi, Hiroshima	Dec 2013	5.6 years	3,540	1.2%	4,500	1.3%	22,768.24㎡	1.4%	100.0%	4.8%	
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	Izumiotsu-shi, Osaka	—	—	4,000	1.3%	4,430	1.3%	48,932.00㎡	3.1%	100.0%	—	
L-27	IIF Izumisano Food Processing and Logistics Center	Izumisano-shi, Osaka	Oct 1996	22.8 years	860	0.3%	1,110	0.3%	13,947.83㎡	0.9%	100.0%	12.3%	
L-28	IIF Kyotanabe Logistics Center	Kyotanabe-shi, Kyoto	Mar 2007	12.4 years	5,730	1.9%	7,550	2.1%	33,243.99㎡	2.1%	100.0%	5.6%	
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	Koga-shi, Fukuoka	—	—	860	0.3%	1,000	0.3%	30,815.97㎡	1.9%	100.0%	—	
L-30	IIF Fukuoka Higashi Logistics Center	Fukuoka-shi, Fukuoka	Jan 1997	22.6 years	1,860	0.6%	2,090	0.6%	11,262.86㎡	0.7%	100.0%	0.2%	
L-31	IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Jan 1991	28.6 years	8,700	2.9%	9,810	2.8%	46,262.20㎡	2.9%	100.0%	9.6%	
L-32	IIF Kazo Logistics Center	Kazo-shi, Saitama	Apr 1989	30.3 years	2,361	0.8%	2,820	0.8%	17,744.41㎡	1.1%	100.0%	8.2%	
L-33	IIF Hamura Logistics Center	Hamura-shi, Tokyo	Jul 1991	28.0 years	820	0.3%	928	0.3%	3,892.66㎡	0.2%	100.0%	4.2%	
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka-shi, Fukuoka	Feb 2008	11.5 years	5,170	1.7%	5,370	1.5%	24,967.58㎡	1.6%	100.0%	0.4%	
L-35	IIF Fukuoka Hakozaki Logistics Center II	existing building extension building	Fukuoka-shi, Fukuoka	Mar 2008	11.4 years	10,179	3.4%	11,300	3.2%	51,385.32㎡	3.2%	100.0%	0.2%
				Feb 2018	1.4 years								
L-36	IIF Itabashi Logistics Center	Itabashi-ku, Tokyo	May 2007	12.2 years	1,717	0.6%	1,970	0.6%	5,057.68㎡	0.3%	100.0%	5.8%	
L-37	IIF Sendai Taiwa Logistics Center	Kurokawa-gun, Miyagi	Jan 2006	13.5 years	1,546	0.5%	1,700	0.5%	15,555.15㎡	1.0%	100.0%	2.4%	
L-38	IIF Ota Logistics Center	Ota-shi, Gunma	Feb 2006	13.4 years	1,010	0.3%	1,160	0.3%	6,900.01㎡	0.4%	100.0%	7.0%	
L-39	IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	Mar 2006	13.3 years	12,100	4.1%	14,100	4.0%	52,201.30㎡	3.3%	100.0%	4.8%	
L-40	IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Jul 1991	28.1 years	2,540	0.9%	2,800	0.8%	12,299.76㎡	0.8%	100.0%	3.9%	
L-41	IIF Morioka Logistics Center II	Shiwa-gun, Iwate	Mar 1997	22.4 years	1,302	0.4%	1,580	0.4%	12,383.30㎡	0.8%	100.0%	1.7%	
L-42	IIF Sapporo Logistics Center	Sapporo-shi, Hokkaido	May 2009	10.2 years	2,480	0.8%	2,610	0.7%	13,064.75㎡	0.8%	100.0%	2.0%	
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	Naka-gun, Ibaraki	—	—	1,145	0.4%	1,210	0.3%	20,000.00㎡	1.3%	100.0%	—	
L-44	IIF Koriyama Logistics Center	Koriyama-shi, Fukushima	Oct 2005	13.8 years	2,585	0.9%	3,170	0.9%	17,533.15㎡	1.1%	100.0%	2.8%	
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest)	Kobe-shi, Hyogo	—	—	1,960	0.7%	2,230	0.6%	33,000.00㎡	2.1%	100.0%	—	
L-46	IIF Hyogo Tatsuno Logistics Center	Tatsuno-shi, Hyogo	Jul 2002	17.1 years	3,915	1.3%	4,380	1.2%	25,186.78㎡	1.6%	100.0%	3.7%	
L-47	IIF Akishima Logistics Center	Akishima-shi, Tokyo	Jan 1992	27.5 years	8,019	2.7%	8,520	2.4%	31,071.21㎡	2.0%	100.0%	3.6%	
Logistics Facilities Total					18.2 years	151,098	50.7%	192,000	54.6%	970,421.05㎡	61.2%	99.9%	—

# Our Portfolio (2) (As of August 1, 2019)

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

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (JPY mn.)		Appraisal Value as of the End of Period (JPY mn.) (Note 3)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)
						Percentage		Percentage		Percentage		
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	4,500	1.5%	5,390	1.5%	31,442.47m <sup>2</sup>	2.0%	100.0%	—
F-2	IIF Yokohama Tsuzuki Technology Center	Yokohama-shi, Kanagawa	Feb 1996	23.5 years	1,100	0.4%	1,340	0.4%	4,655.48m <sup>2</sup>	0.3%	100.0%	3.3%
F-3	IIF Mitaka Card Center	Mitaka-shi, Tokyo	Apr 1994	25.3 years	8,700	2.9%	10,100	2.9%	21,615.01m <sup>2</sup>	1.4%	100.0%	6.7%
F-5	IIF Kamata R&D Center	Ohta-ku, Tokyo	Jun 1988	31.2 years	7,200	2.4%	8,400	2.4%	21,896.56m <sup>2</sup>	1.4%	100.0%	7.7%
F-6	IIF Kawasaki Science Center	Kawasaki-shi, Kanagawa	May 2014	5.2 years	2,168	0.7%	2,950	0.8%	4,857.73m <sup>2</sup>	0.3%	100.0%	9.7%
F-7	IIF Sagami R&D Center	Sagamihara-shi, Kanagawa	Jul 1989	30.1 years	3,100	1.0%	4,660	1.3%	19,328.40m <sup>2</sup>	1.2%	100.0%	8.5%
F-8	IIF Yokohama Shinyamashita R&D Center	Yokohama-shi, Kanagawa	Aug 2007	11.9 years	3,810	1.3%	4,230	1.2%	4,887.83m <sup>2</sup>	0.3%	100.0%	5.0%
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	Kakegawa-shi, Shizuoka	—	—	1,540	0.5%	1,760	0.5%	66,171.92m <sup>2</sup>	4.2%	100.0%	—
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	Urayasu-shi, Chiba	—	—	1,300	0.4%	1,660	0.5%	7,925.94m <sup>2</sup>	0.5%	100.0%	—
F-11	IIF Yokosuka Technology Center	Yokosuka-shi, Kanagawa	Nov 1995	23.7 years	4,000	1.3%	4,480	1.3%	13,779.77m <sup>2</sup>	0.9%	100.0%	5.0%
F-12	IIF Shonan Technology Center	Koza-gun, Kanagawa	Jul 1994	25.0 years	1,200	0.4%	1,340	0.4%	7,244.71m <sup>2</sup>	0.5%	100.0%	4.8%
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Hiroshima-shi, Hiroshima	—	—	1,608	0.5%	1,860	0.5%	23,106.75m <sup>2</sup>	1.5%	100.0%	—
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	2,300	0.8%	2,590	0.7%	19,458.49m <sup>2</sup>	1.2%	100.0%	—
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	Atsugi-shi, Kanagawa	—	—	4,940	1.7%	5,290	1.5%	64,327.54m <sup>2</sup>	4.1%	100.0%	—
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	Ryugasaki-shi, Ibaraki	—	—	900	0.3%	1,320	0.4%	17,721.03m <sup>2</sup>	1.1%	100.0%	—
F-17	IIF Shin-Kawasaki R&D Center	Kawasaki-shi, Kanagawa	Aug 2015	4.0 years	6,300	2.1%	8,510	2.4%	11,894.29m <sup>2</sup>	0.8%	100.0%	6.7%
F-18	IIF Ichikawa Food Processing Center	Ichikawa-shi, Chiba	Aug 1989	29.9 years	6,200	2.1%	6,330	1.8%	27,424.22m <sup>2</sup>	1.7%	100.0%	2.3%
F-19	IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	Kakamigahara-shi, Gifu	—	—	225	0.1%	264	0.1%	12,551.51m <sup>2</sup>	0.8%	100.0%	—
<b>Manufacturing and R&amp;D Facilities Total</b>				<b>21.8 years</b>	<b>61,091</b>	<b>20.5%</b>	<b>72,474</b>	<b>20.6%</b>	<b>380,289.65m<sup>2</sup></b>	<b>24.0%</b>	<b>100.0%</b>	<b>—</b>
I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Apr 1990	29.3 years	18,100	6.1%	14,600	4.2%	11,476.05m <sup>2</sup>	0.7%	100.0%	4.7%
I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	Jun 1993	26.1 years	41,110	13.8%	41,300	11.8%	81,995.81m <sup>2</sup>	5.2%	100.0%	M1 : 4.5% M2 : 3.2%
I-3	IIF Zama IT Solution Center	Zama-shi, Kanagawa	Nov 1988	30.7 years	5,384	1.8%	5,530	1.6%	10,931.89m <sup>2</sup>	0.7%	100.0%	7.3%
I-4	IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Aug 1989	29.9 years	4,900	1.6%	6,870	2.0%	19,547.11m <sup>2</sup>	1.2%	100.0%	8.9%
I-5	IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Sep 1991	27.9 years	5,600	1.9%	6,010	1.7%	20,027.14m <sup>2</sup>	1.3%	100.0%	3.8%
I-6	IIF Osaka Nanko IT Solution Center	Osaka-shi, Osaka	Mar 1992	27.4 years	1,150	0.4%	2,430	0.7%	18,429.14m <sup>2</sup>	1.2%	100.0%	5.4%
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	Nagoya-shi, Aichi	—	—	1,900	0.6%	2,240	0.6%	51,583.70m <sup>2</sup>	3.3%	100.0%	—
I-8	IIF Shinagawa IT Solution Center	Shinagawa-ku, Tokyo	Feb 1993	26.5 years	7,200	2.4%	7,130	2.0%	7,057.03m <sup>2</sup>	0.4%	98.9%	7.7%
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	Higashimatsuyama-shi, Saitama	—	—	690	0.2%	755	0.2%	12,880.38m <sup>2</sup>	0.8%	100.0%	—
<b>Infrastructure Facilities Total</b>				<b>27.5 years</b>	<b>86,034</b>	<b>28.8%</b>	<b>86,865</b>	<b>24.7%</b>	<b>233,928.25m<sup>2</sup></b>	<b>14.8%</b>	<b>100.0%</b>	<b>—</b>
<b>Portfolio Total</b>				<b>21.7 years</b>	<b>298,224</b>	<b>100.0%</b>	<b>351,339</b>	<b>100.0%</b>	<b>1,584,638.95m<sup>2</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.8%</b>

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

(Note 2) "Age of building" refers to the age as of Aug. 1, 2019.

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

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

(Note 5) "Occupancy rate" is based on the lease contracts which are effective as of Jul. 31, 2019.

(Note 6) "PML" is based on surveys carried out in Aug. 5, 2019. PML figures for IIF Haneda Airport Maintenance Center are for M1 and M2 earthquakes. As for the Portfolio Total, the figure includes the IIF Atsugi Logistics Center.

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

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

# Lease Contracts (1) (As of August 1, 2019)

## Logistics Facilities

Property Number	Name of Property	Name of Tenants <sup>(Note1)</sup>	No. of Tenants <sup>(Note2)</sup>	Type of Contract	Annual Rent (JPY mn.) <sup>(Note3,4)</sup>	Percentage <sup>(Note5)</sup>	Lease Term <sup>(Note6)</sup>	Lease Term Remaining <sup>(Note7)</sup>
L-1	IIF Shinonome Logistics Center	Sagawa Express Co., Ltd.	1	Fixed-Term Lease	795	4.1%	20.0 years	6.6 years
L-4	IIF Noda Logistics Center	Mitsubishi Electric Logistics Corporation, etc.	2	Fixed-Term Lease	Not Disclosed	-	7.5 years	1.8 years
L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	358	1.8%	20.0 years	19.0 years
L-7	IIF Koshigaya Logistics Center	Kabushikigaisya Tsukasa	1	Fixed-Term Lease	151	0.8%	10.0 years	1.4 years
L-8	IIF Nishinomiya Logistics Center	Suzuyo Corporation	2	Fixed-Term Lease	Not Disclosed	-	26.7 years	16.8 years
L-9	IIF Narashino Logistics Center (land with leasehold interest)	Kajima Leasing Corporation/JA Mitsui Leasing, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	2.1 years
L-10	IIF Narashino Logistics Center II <sup>(Note8)</sup>	Sapporo Breweries Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	28.0 years	21.5 years
L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	10.0 years	3.1 years
L-12	IIF Yokohama Tsuzuki Logistics Center	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.5 years	0.2 years
L-13	IIF Saitama Logistics Center	MM Corporation	1	Fixed-Term Lease	133	0.7%	5.0 years	0.3 years
L-14	IIF Nagoya Logistics Center	Japan Airways Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	0.5 years
L-15	IIF Atsugi Logistics Center III	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	2.5 years
L-16	IIF Kawaguchi Logistics Center	Hitachi Transport System Metropolitan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	4.9 years
L-17	IIF Kobe Logistics Center	Nissin Corporation	1	Ordinary Lease	Not Disclosed	-	11.7 years	5.2 years
L-18	IIF Higashi Osaka Logistics Center	Settsu Warehouse Co., Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	11.7 years	3.6 years
L-19	IIF Kashiwa Logistics Center	PIP LOGISTICS CO., LTD.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	3.3 years
L-20	IIF Misato Logistics Center	Takuyo Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	15.1 years	2.7 years
L-21	IIF Iruma Logistics Center	Daiichi Freight System Inc.	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	21.5 years
L-22	IIF Tosu Logistics Center	Hinode Corporation, etc.	2	Ordinary Lease	Not Disclosed	-	8.1 years	1.1 years
L-23	IIF Inzai Logistics Center	Sun Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	2.7 years
L-24	IIF Morioka Logistics Center	Nippon Access, Inc.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	3.2 years
L-25	IIF Hiroshima Logistics Center	Muroo Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	9.4 years
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	Kohnan Shoji Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	5.2 years
L-27	IIF Izumisano Food Processing and Logistics Center	Nakano Shokai Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	5.7 years
L-28	IIF Kyotanabe Logistics Center	Takara Butsuryu Inc.	1	Ordinary Lease	Not Disclosed	-	10.0 years	8.4 years
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	ORIX Auto Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	15.8 years
L-30	IIF Fukuoka Higashi Logistics Center	Toll Express Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	11.6 years
L-31	IIF Osaka Konohana Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	36.3 years	7.6 years
L-32	IIF Kazo Logistics Center	PIP Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	6.6 years
L-33	IIF Hamura Logistics Center	Coca-Cola Bottlers Japan Inc.	1	Fixed-Term Lease	Not Disclosed	-	8.0 years	5.2 years
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka Soko Co., Ltd.	3	Fixed-Term Lease	Not Disclosed	-	4.0 years	2.8 years
L-35	IIF Fukuoka Hakozaki Logistics Center II <sup>(Note9)</sup>	NTT LOGISCO Inc., etc.	5	Fixed-Term Lease	Not Disclosed	-	7.9 years	2.9 years
L-36	IIF Itabashi Logistics Center	Higashi Twenty One Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	7.8 years
L-37	IIF Sendai Taiwa Logistics Center	Miyago Logistics Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	3.4 years
L-38	IIF Ota Logistics Center	Meitetsu Unyu Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	6.6 years
L-39	IIF Osaka Suminoe Logistics Center I	Toshiba Logistics Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	6.7 years
L-40	IIF Osaka Suminoe Logistics Center II	Toshiba Logistics Corporation	1	Ordinary Lease	Not Disclosed	-	1.0 years	0.1 years
L-41	IIF Morioka Logistics Center II	Miyago Logistics Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	3.0 years	0.8 years
L-42	IIF Sapporo Logistics Center	Nippon Express Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	4.8 years
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	Aono Sangyo Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	28.2 years
L-44	IIF Koriyama Logistics Center	Nichirei Logistics Group Inc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	6.3 years
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest)	Kohnan Shoji Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	18.7 years
L-46	IIF Hyogo Tatsuno Logistics Center	Hitachi Transport System, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	8.7 years
L-47	IIF Akishima Logistics Center	Tokyo Logistics Factory Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	4.2 years

# Lease Contracts (2) (As of August 1, 2018)

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

Property Number	Name of Property	Name of Tenants <sup>(Note1)</sup>	No. of Tenants <sup>(Note2)</sup>	Type of Contract	Annual Rent (JPY mn.) <sup>(Note3,4)</sup>	Percentage <sup>(Note5)</sup>	Lease Term <sup>(Note6)</sup>	Lease Term Remaining <sup>(Note7)</sup>
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Taisei Corporation	1	Fixed-Term Lease	276	1.4%	30.0 years	20.7 years
F-2	IIF Yokohama Tsuzuki Technology Center	TÜV Rheinland Japan Ltd.	1	Fixed-Term Lease	118	0.6%	22.0 years	11.2 years
F-3	IIF Mitaka Card Center	JCB Co., Ltd.	1	Ordinary Lease	729	3.8%	18.5 years	1.6 years
F-5	IIF Kamata R&D Center	Tokyo KEIKI Inc.	1	Fixed-Term Lease	Not Disclosed	-	14.9 years	6.7 years
F-6	IIF Kawasaki Science Center	Johnson & Johnson K.K. Medical Company	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	9.8 years
F-7	IIF Sagami R&D Center	Micron Memory Japan Inc.,	2	Ordinary Lease, etc	Not Disclosed	-	9.9 years	8.3 years
F-8	IIF Yokohama Shinyamashita R&D Center	TRW Automotive Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	8.1 years
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	CxS Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	26.4 years
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	NISHIO RENT ALL Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	49.0 years	45.7 years
F-11	IIF Yokosuka Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	7.1 years
F-12	IIF Shonan Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	7.1 years
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Metal One Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	17.7 years
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	MITSUIKE CORPORATION	1	Fixed-Term Lease	Not Disclosed	-	50.0 years	48.6 years
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	IBJ Leasing	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	29.9 years
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	<b>NEW</b> IDEC Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	28.7 years
F-17	IIF Shin-Kawasaki R&D Center <sup>(Note10)</sup>	<b>NEW</b> Mitsubishi Logisnext Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	2.0 years	0.7 years
F-18	IIF Ichikawa Food Processing Center	<b>NEW</b> Hyoshoku Co., Ltd., etc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	17.7 years
F-19	IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	<b>NEW</b> TERUMO CLINICAL SUPPLY CO.,LTD.	1	Ordinary Lease	Not Disclosed	-	30.0 years	29.7 years
I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	4	Fixed-Term Lease	665	3.4%	12.0 years	4.9 years
I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	1	Fixed-Term Lease	1,888	9.7%	15.4 years	6.4 years
I-3	IIF Zama IT Solution Center	IBM Japan, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	2.0 years
I-4	IIF Shinagawa Data Center	XYMAX Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	2.6 years
I-5	IIF Osaka Toyonaka Data Center	Kanden Properties Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	6.2 years
I-6	IIF Osaka Nanko IT Solution Center	Nomura Research Institute, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.1 years	3.6 years
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	Chemical Logitech Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	49.9 years	44.5 years
I-8	IIF Shinagawa IT Solution Center	Hitachi Systems, Ltd., etc.	7	Ordinary Lease	Not Disclosed	-	1.8 years	1.1 years
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	ITOCHU INDUSTRIAL GAS CO.,LTD	1	Fixed-Term Lease	Not Disclosed	-	30.1 years	26.4 years
<b>Portfolio Total</b>						<b>100.0%</b>	<b>15.3 years</b>	<b>8.0 years</b>

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

(Note 2) "No. of Tenants" is calculated based on the number of lease agreements in each property including Land temporary use Lease. As for IIF Narashino Logistics Center (land with leasehold interest), Kajima Leasing Corporation and JA Mitsui Leasing, Ltd. are jointed tenants and both companies are counted as one company

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

(Note 4) "Annual Rent" and "Lease Term" are based on lease agreements concluded with tenants as of Jul. 31, 2019.

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

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

(Note 7) "Lease Term Remaining" is calculated from Jan. 31, 2019 to the expiry date on the lease contract. The lease term remaining is calculated based on a weighted average of the annual rent.

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

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

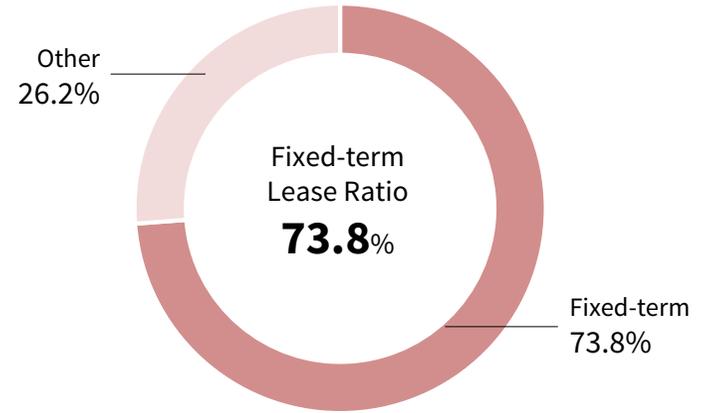
(Note10) While the fixed-term building lease contract with the current tenant, Mitsubishi LogisnextCo., Ltd., will be cancelled on Apr. 23, 2020, the new fixed-term building lease agreement is already concluded with the replacing tenant, NEC Networks & System Integration Corporation which will become effective on or after April 1, 2020.

# Lease Contracts (3) (As of August 1, 2019)

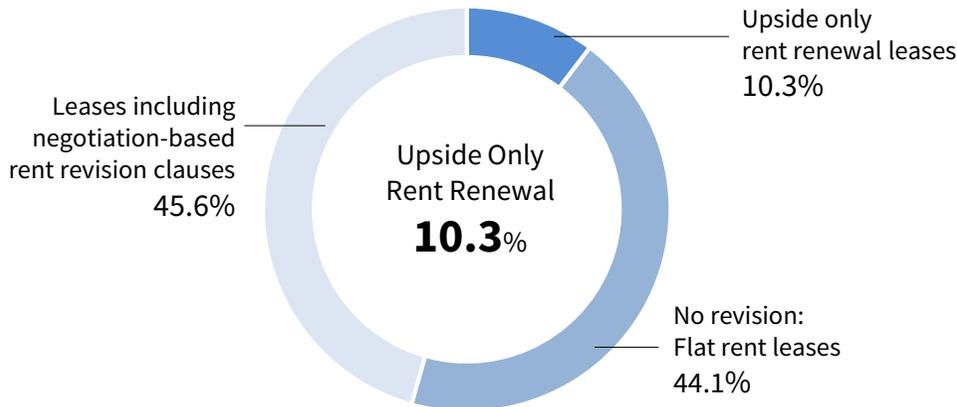
## Lease Term



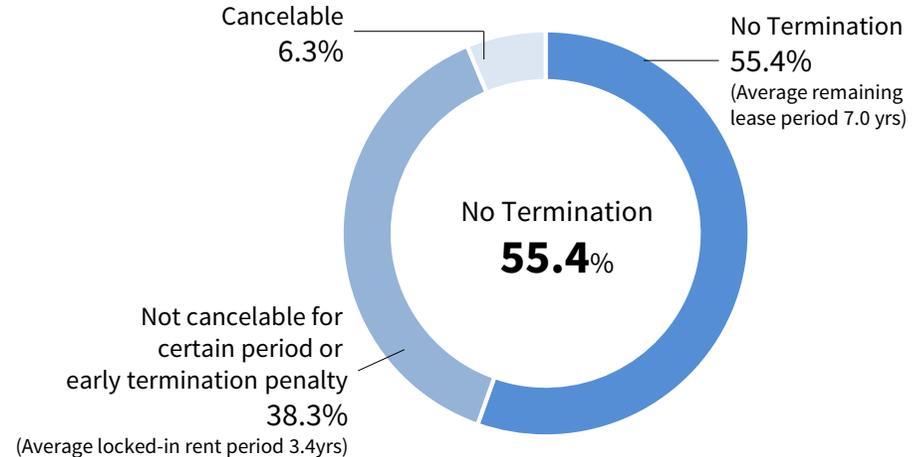
## Lease Type



## Rent Revisions Provision



## Termination Option



(Note1) Based on estimated annual rent.

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# Appraisal Values (1) (As of Aug 1, 2019)

## Logistics Facilities

Property Number	Name of Property	Book Value (JPY mn.)	Unrealized Capital Gain	Appraisal Value as of the End of Period (JPY mn.) (Note 1)					Applied Rate (Note 1)				
				End of 24th Period			End of 23rd Period	Direct Capitalization Method	DCF Method		Period-rarier Levels		
				Appraisal Value	Period-Over-period	Period-Over-period (%)	Appraisal Value	Capitalization Rate	Discount Rate	Terminal Capitalization Rate	Capitalization Rate by Direct Capitalization Method	Discount Rate by DCF Method	Terminal Capitalization Rate by DCF Method
L-1	IIF Shinonome Logistics Center (Note 2)	12,856	+4,315	17,172	+53	+0.3%	17,119	4.2%	3.7%	4.4%	0.0p	(0.1p)	0.0p
L-4	IIF Noda Logistics Center	5,329	+3,770	9,100	-	0.0%	9,100	4.4%	4.2%	4.6%	0.0p	0.0p	0.0p
L-5	IIF Shinsuna Logistics Center	5,163	+2,296	7,460	-	0.0%	7,460	4.2%	3.9%	4.3%	0.0p	0.0p	0.0p
L-7	IIF Koshigaya Logistics Center	1,756	+1,023	2,780	-	0.0%	2,780	4.8%	4.5%	4.9%	0.0p	0.0p	0.0p
L-8	IIF Nishinomiya Logistics Center	1,965	+1,034	3,000	-	0.0%	3,000	5.1%	4.9%	5.3%	0.0p	0.0p	0.0p
L-9	IIF Narashino Logistics Center (land with leasehold interest)	1,223	+1,656	2,880	+70	+2.5%	2,810	-	4.5%	-	-	0.0p	-
L-10	IIF Narashino Logistics Center II	4,653	+1,706	6,360	(240)	(3.6%)	6,600	4.7%	4.5%	4.9%	0.0p	0.0p	0.0p
L-11	IIF Atsugi Logistics Center II	3,186	+863	4,050	+10	+0.2%	4,040	4.7%	4.4%	5.0%	0.0p	0.0p	0.0p
L-12	IIF Yokohama Tsuzuki Logistics Center	2,303	+1,116	3,420	+140	+4.3%	3,280	4.5%	4.3%	4.7%	0.0p	0.0p	0.0p
L-13	IIF Saitama Logistics Center	1,434	+695	2,130	-	0.0%	2,130	5.0%	4.7%	5.2%	0.0p	0.0p	0.0p
L-14	IIF Nagoya Logistics Center	1,131	+488	1,620	+10	+0.6%	1,610	5.4%	5.0%	5.7%	0.0p	(0.1p)	0.0p
L-15	IIF Atsugi Logistics Center III	2,395	+724	3,120	(10)	(0.3%)	3,130	4.9%	4.6%	5.1%	0.0p	0.0p	0.0p
L-16	IIF Kawaguchi Logistics Center	2,111	+2,358	4,470	+90	+2.1%	4,380	4.3%	4.1%	4.4%	(0.1p)	(0.1p)	(0.1p)
L-17	IIF Kobe Logistics Center	5,188	+2,531	7,720	+160	+2.1%	7,560	4.5%	4.2%	4.6%	(0.1p)	(0.1p)	(0.1p)
L-18	IIF Higashi Osaka Logistics Center	2,514	+725	3,240	-	0.0%	3,240	5.0%	4.7%	5.2%	0.0p	0.0p	0.0p
L-19	IIF Kashiwa Logistics Center	1,839	+1,110	2,950	-	0.0%	2,950	4.8%	4.4%	4.9%	0.0p	0.0p	0.0p
L-20	IIF Misato Logistics Center	3,430	+1,999	5,430	+120	+2.3%	5,310	4.2%	4.0%	4.3%	(0.1p)	(0.1p)	(0.1p)
L-21	IIF Iruma Logistics Center	3,044	+1,115	4,160	-	0.0%	4,160	4.9%	4.4%	5.3%	0.0p	0.0p	0.0p
L-22	IIF Tosu Logistics Center	1,497	+492	1,990	+30	+1.5%	1,960	5.0%	4.8%	5.1%	(0.1p)	(0.1p)	(0.1p)
L-23	IIF Inzai Logistics Center	1,017	+352	1,370	-	0.0%	1,370	5.3%	5.1%	5.4%	(0.1p)	(0.1p)	(0.1p)
L-24	IIF Morioka Logistics Center	572	+667	1,240	+20	+1.6%	1,220	5.8%	5.6%	5.9%	(0.1p)	(0.1p)	(0.1p)
L-25	IIF Hiroshima Logistics Center	3,339	+1,160	4,500	-	0.0%	4,500	5.2%	5.0%	5.3%	0.0p	0.0p	0.0p
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	4,178	+251	4,430	+10	+0.2%	4,420	-	4.5%	-	-	(0.1p)	-
L-27	IIF Izumisano Food Processing and Logistics Center	937	+172	1,110	+20	+1.8%	1,090	4.8%	4.4%	4.9%	(0.1p)	(0.1p)	(0.1p)
L-28	IIF Kyotanabe Logistics Center	5,696	+1,853	7,550	+160	+2.2%	7,390	4.6%	4.3%	4.7%	(0.1p)	(0.1p)	(0.1p)
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	914	+85	1,000	+12	+1.2%	988	-	5.6%	-	-	0.0p	-
L-30	IIF Fukuoka Higashi Logistics Center	1,918	+171	2,090	+40	+2.0%	2,050	4.9%	4.5%	5.0%	(0.1p)	(0.1p)	(0.1p)
L-31	IIF Osaka Konohana Logistics Center	8,663	+1,146	9,810	+230	+2.4%	9,580	4.0%	3.8%	4.2%	(0.1p)	(0.1p)	(0.1p)
L-32	IIF Kazo Logistics Center	2,597	+222	2,820	+60	+2.2%	2,760	4.7%	4.4%	4.8%	(0.1p)	(0.1p)	(0.1p)
L-33	IIF Hamura Logistics Center	931	(3)	928	-	0.0%	928	4.5%	Until 2nd 4.4% From 3rd to 5th 4.5% After 6th 4.6%	4.7%	0.0p	3rd +0.1% 6th +0.1%	0.0p
L-34	IIF Fukuoka Hakozaki Logistics Center I	5,215	+154	5,370	+150	+2.9%	5,220	4.5%	4.1%	4.5%	(0.1p)	(0.1p)	(0.1p)
L-35	IIF Fukuoka Hakozaki Logistics Center II	10,254	+1,045	11,300	+400	+3.7%	10,900	4.5%	4.1%	4.5%	(0.1p)	(0.1p)	(0.1p)
L-36	IIF Itabashi Logistics Center	1,747	+222	1,970	+50	+2.6%	1,920	4.2%	3.7%	4.2%	(0.1p)	(0.1p)	(0.1p)
L-37	IIF Sendai Taiwa Logistics Center	1,580	+119	1,700	-	0.0%	1,700	5.3%	5.0%	5.6%	0.0p	0.0p	0.0p
L-38	IIF Ota Logistics Center	1,019	+140	1,160	-	0.0%	1,160	5.5%	Until 7th 5.4% After 8th 5.6%	5.7%	0.0p	-	0.0p
L-39	IIF Osaka Suminoe Logistics Center I	12,066	+2,033	14,100	-	0.0%	14,100	4.2%	4.3%	4.4%	0.0p	0.0p	0.0p
L-40	IIF Osaka Suminoe Logistics Center II	2,559	+240	2,800	-	0.0%	2,800	4.3%	4.4%	4.5%	0.0p	0.0p	0.0p
L-41	IIF Morioka Logistics Center II	1,378	+201	1,580	-	0.0%	1,580	5.8%	5.4%	5.8%	(0.1p)	(0.1p)	(0.1p)
L-42	IIF Sapporo Logistics Center	2,511	+98	2,610	-	0.0%	2,610	5.0%	4.8%	5.2%	0.0p	0.0p	0.0p
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	1,193	+16	1,210	-	0.0%	1,210	4.5%	4.5%	-	0.0p	0.0p	-
L-44	IIF Koriyama Logistics Center	2,561	+608	3,170	-	0.0%	3,170	5.6%	Until 6th 5.6% After 7th 5.7%	5.8%	0.0p	7th +0.1%	0.0p

# Appraisal Values (2) (As of Aug. 1, 2019)

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

Property Number	Name of Property	Book Value (JPY mn.)	Unrealized Capital Gain	Appraisal Value as of the End of Period (JPY mn.) (Note 1)				Applied Rate (Note 1)					
				End of 24th Period			End of 23rd Period	Direct Capitalization Method	DCF Method		Period-ratierLevels		
				Appraisal Value	Period-Over-period	Period-Over-period (%)	Appraisal Value		Capitalization Rate	Discount Rate	Terminal Capitalization Rate	Capitalization Rate by Direct Capitalization Method	Discount Rate by DCF Method
L-45	IIF Kobe Nishi Logistics Center(land with leasehold interest)	2,047	+ 182	2,230	+50	+ 2.3%	2,180	-	Until 14th 4.5% After 15th 4.6%	4.7%	-	-	0.0p
L-46	IIF Hyogo Tatsuno Logistics Center	<b>NEW</b> 4,144	+ 235	4,380	-	0.0%	4,380	5.0%	Until 4th 5.0% After 5th 5.1%	5.2%	0.0p	-	0.0p
L-47	IIF Akishima Logistics Center	<b>NEW</b> 8,388	+ 131	8,520	-	0.0%	8,520	4.2%	Until 4th 4.1% After 5th 4.2%	4.4%	0.0p	-	0.0p
<b>Logistics Facilities Total</b>		<b>150,462</b>	<b>+ 41,537</b>	<b>192,000</b>	<b>+1,635</b>	<b>+ 0.9%</b>	<b>190,365</b>						
F-1	IIF Totsuka Technology Center (land with leasehold interest)	4,553	+ 836	5,390	-	0.0%	5,390	-	5.0%	-	-	0.0p	-
F-2	IIF Yokohama Tsuzuki Technology Center	1,234	+ 105	1,340	-	0.0%	1,340	5.6%	5.4%	5.8%	0.0p	0.0p	0.0p
F-3	IIF Mitaka Card Center	9,379	+ 720	10,100	-	0.0%	10,100	5.5%	5.3%	5.7%	0.0p	0.0p	0.0p
F-5	IIF Kamata R&D Center	7,497	+ 902	8,400	-	0.0%	8,400	5.4%	5.1%	5.6%	0.0p	0.0p	0.0p
F-6	IIF Kawasaki Science Center	2,015	+ 934	2,950	-	0.0%	2,950	5.2%	5.0%	5.4%	(0.1p)	(0.1p)	(0.1p)
F-7	IIF Sagami R&D Center	3,315	+ 1,344	4,660	+10	+ 0.2%	4,650	5.7%	5.5%	5.9%	0.0p	0.0p	0.0p
F-8	IIF Yokohama Shinyamashita R&D Center	3,852	+ 377	4,230	-	0.0%	4,230	4.8%	4.4%	4.9%	0.0p	0.0p	0.0p
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	1,572	+ 187	1,760	-	0.0%	1,760	-	5.1%	-	-	0.0p	-
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	1,345	+ 314	1,660	-	0.0%	1,660	4.8%	4.0%	5.1%	0.0p	0.0p	0.0p
F-11	IIF Yokosuka Technology Center	4,208	+ 271	4,480	+10	+ 0.2%	4,470	5.6%	5.3%	5.7%	0.0p	0.0p	0.0p
F-12	IIF Shonan Technology Center	1,307	+ 32	1,340	-	0.0%	1,340	5.2%	4.9%	5.3%	0.0p	0.0p	0.0p
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	1,693	+ 166	1,860	-	0.0%	1,860	-	5.6%	-	-	0.0p	-
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	2,413	+ 176	2,590	-	0.0%	2,590	4.6%	4.6%	-	0.0p	0.0p	-
F-15	IIF Atsugi Manufacturing Center (land with leasehold interest)	5,005	+ 284	5,290	+20	+ 0.4%	5,270	5.0%	5.0%	-	0.0p	0.0p	-
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	<b>NEW</b> 954	+ 365	1,320	-	0.0%	1,320	-	5.0%	-	-	0.0p	-
F-17	IIF Shin-Kawasaki R&D Center	<b>NEW</b> 6,618	+ 1,891	8,510	+30	+ 0.4%	8,480	5.4%	5.1%	5.5%	0.0p	0.0p	0.0p
F-18	IIF Ichikawa Food Processing Center	<b>NEW</b> 6,418	(88)	6,330	-	0.0%	6,330	4.3%	4.1%	4.5%	0.0p	0.0p	0.0p
F-19	IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	<b>NEW</b> 249	+ 14	264	-	0.0%	264	4.5%	4.3%	4.7%	0.0p	0.0p	0.0p
<b>Manufacturing and R&amp;D Facilities Total</b>		<b>63,636</b>	<b>+ 8,837</b>	<b>72,474</b>	<b>+70</b>	<b>+ 0.1%</b>	<b>72,404</b>						
I-1	IIF Kobe District Heating and Cooling Center	16,025	(1,425)	14,600	(100)	(0.7%)	14,700	4.4%	3.6%	4.6%	0.0p	0.0p	0.0p
I-2	IIF Haneda Airport Maintenance Ceter	38,165	+ 3,134	41,300	-	0.0%	41,300	4.4%	3.5%	4.8%	0.0p	0.0p	0.0p
I-3	IIF Zama IT Solution Center	5,079	+ 450	5,530	-	0.0%	5,530	7.2%	5.8%	7.8%	0.0p	0.0p	0.0p
I-4	IIF Shinagawa Data Center	5,300	+ 1,569	6,870	-	0.0%	6,870	4.7%	4.8%	5.2%	0.0p	0.0p	0.0p
I-5	IIF Osaka Toyonaka Data Center	5,553	+ 456	6,010	(10)	(0.2%)	6,020	6.2%	4.9%	5.4%	0.0p	0.0p	0.0p
I-6	IIF Osaka Nanko IT Solution Center	1,203	+ 1,226	2,430	+10	+ 0.4%	2,420	6.3%	5.7%	6.8%	0.0p	0.0p	0.0p
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	1,998	+ 241	2,240	-	0.0%	2,240	5.6%	4.7%	6.3%	0.0p	0.0p	0.0p
I-8	IIF Shinagawa IT Solution Center	7,933	(803)	7,130	-	0.0%	7,130	4.5%	4.1%	4.6%	0.0p	0.0p	0.0p
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center(land with leasehold interest)	729	+ 25	755	+1	+ 0.1%	754	-	4.9%	-	-	0.0p	-
<b>Infrastructure Facilities Total</b>		<b>81,989</b>	<b>+ 4,875</b>	<b>86,865</b>	<b>(99)</b>	<b>(0.1%)</b>	<b>86,964</b>						
<b>Portfolio Total</b>		<b>296,087</b>	<b>+ 55,251</b>	<b>351,339</b>	<b>+1,606</b>	<b>+ 0.5%</b>	<b>349,733</b>						

(Note 1) "Appraisal Value as of the End of Period", "Capitalization Rate (Direct Capitalization Method)" and "Terminal Capitalization Rate (DCF Method)" refer to figures provided in the respective appraisal reports (or research report) as of Jul. 31, 2019. The same shall apply hereinafter.

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

(Note 3) IIF Atsugi LC is excluded from the list above due to its disposition on Aug 1, 2019. The appraisal value of IIF Atsugi LC as of Jul. 31, 2019 is JPY 1,080mn.

# Performance by Property (1)

(JPY mn.)

Item	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent	397	397			179	179			75	75						
Others	4	2			-	-			0	0						
Total rental business income	402	400			179	179			75	75						
Taxes and public dues	30	31			16	16			3	3						
Management expenses	0	0	Not Disclosed	Not Disclosed	0	0	Not Disclosed	Not Disclosed	0	0	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses	3	1			0	0			0	0						
Insurance cost and trust fee	0	0			0	0			0	0						
Others	0	0			0	0			0	0						
Total rental business expenses	35	34			18	18			5	5						
NOI	366	365	207	209	160	160	54	32	70	70	82	91	37	37	175	172
Depreciation and amortization	43	43	50	50	11	12	32	21	26	26	20	20	-	-	7	8
Rental business profit	323	322	157	158	149	148	21	10	43	43	61	71	37	37	168	164
Total deposits (Ending balance)	1,219	1,140	Not Disclosed	Not Disclosed	84	84	Not Disclosed	Not Disclosed	37	37	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L11 (Atsugi II)		L12 (Yokohama Suzuki)		L13 (Saitama)		L14 (Nagoya)		L15 (Atsugi III)		L16 (Kawaguchi)		L17 (Kobe)		L18 (Higashi Osaka)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent					66	66										
Others					0	0										
Total rental business income					66	66										
Taxes and public dues					2	2										
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	0	0	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses					1	-										
Insurance cost and trust fee					0	0										
Others					2	1										
Total rental business expenses					6	4										
NOI	114	112	78	69	60	62	42	35	82	76	106	106	180	180	88	98
Depreciation and amortization	19	19	8	8	11	11	6	6	10	10	9	9	20	21	11	12
Rental business profit	94	93	69	60	48	51	36	29	71	65	96	96	160	159	77	85
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	33	33	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L19 (Kashiwa)		L20 (Misato)		L21 (Iruma)		L22 (Tosu)		L23 (Inzai)		L24 (Morioka)		L25 (Hiroshima)		L26 (Izumotsu)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent																
Others																
Total rental business income																
Taxes and public dues																
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses																
Insurance cost and trust fee																
Others																
Total rental business expenses																
NOI	77	74	116	116	105	105	52	53	37	37	37	38	120	120	111	111
Depreciation and amortization	9	10	16	16	22	22	8	8	5	5	5	5	25	25	0	0
Rental business profit	67	64	100	100	82	82	44	44	31	31	32	32	95	95	111	111
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

# Performance by Property(2)

(JPY mn.)

Item	L27 (Izumisanano)		L28 (Kyotanabe)		L29 (Fukuoka Koga)		L30 (Fukuoka Higashi)		L31 (Osaka Konohana)		L32 (Kazo)		L33 (Hamura)		L34 (Fukuoka Hakozaki I.)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent																
Others																
Total rental business income																
Taxes and public dues																
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses																
Insurance cost and trust fee																
Others																
Total rental business expenses																
NOI	28	29	175	172	27	27	51	51	216	218	67	67	22	19	125	124
Depreciation and amortization	8	8	32	32	-	-	4	4	32	33	8	8	3	4	23	24
Rental business profit	20	21	143	140	27	27	46	46	183	185	59	59	18	15	101	100
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L35 (Fukuoka Hakozaki II)		L36 (Itabashi)		L37 (Sendai Taiwa)		L38 (Ota)		L39 (Osaka Suminoe I.)		L40 (Osaka Suminoe II)		L41 (Morioka II)		L42 (Sapporo)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent																
Others																
Total rental business income																
Taxes and public dues																
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses																
Insurance cost and trust fee																
Others																
Total rental business expenses																
NOI	251	239	40	39	46	46	33	33	259	275	62	70	41	40	75	60
Depreciation and amortization	47	47	6	6	8	8	4	4	53	53	8	8	5	5	7	7
Rental business profit	204	191	34	32	38	37	29	29	205	221	53	62	36	35	68	53
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L43 (Hitachinaka Port)		L44 (Koriyama)		L45 (Kobe-nishi)		L46 (Hyogo Tatsuno)		L47 (Akishima)		F1 (Totsuka TC)		F2 (Yokohama Tsuzuki)		F3 (Mitaka)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd -days	24th 59days	23rd -days	24th 59days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent							-	-	-	-	154	154	59	59	364	364
Others							-	-	-	-	0	0	-	-	0	0
Total rental business income							-	-	-	-	154	154	59	59	364	364
Taxes and public dues							-	-	-	-	16	16	8	8	47	47
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed	-	Not Disclosed	-	-	6	6	3	3
Repair expenses							-	-	-	-	-	-	3	4	13	1
Insurance cost and trust fee							-	-	-	-	0	0	0	0	0	0
Others							-	-	-	-	0	0	0	1	1	1
Total rental business expenses							-	-	-	-	17	17	19	21	66	54
NOI	29	28	105	101	45	43	-	38	-	61	137	137	39	38	298	310
Depreciation and amortization	-	-	22	22	-	-	-	6	-	4	-	-	6	6	55	57
Rental business profit	29	28	83	78	45	43	-	31	-	56	137	137	33	31	242	252
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed	-	Not Disclosed	276	276	92	92	182	182

# Performance by Property(3)

(JPY mn.)

Item	F5 (Kamata)		F6 (Kawasaki)		F7 (Sagamihara)		F8 (Shinyamashita)		F9 (Kakegawa)		F10 (Urayasu)		F11 (Yokosuka)		F12 (Shonan)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days
Days																
Rent																
Others																
Total rental business income																
Taxes and public dues																
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses																
Insurance cost and trust fee																
Others																
Total rental business expenses																
NOI	235	238	82	82	141	135	104	104	42	42	37	37	142	143	39	39
Depreciation and amortization	31	32	23	23	16	17	19	19	-	-	-	-	12	13	3	4
Rental business profit	203	206	58	58	124	118	84	84	42	42	37	37	129	130	35	35
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	F13 (Hiroshima)		F14 (Totsuka MC)		F15 (Atsugi)		F15 (Tsukuba)		F17 (Shin-Kawasaki)		F18 (Ichikawa)		F19 (Gifu Kakamigahara)		I1 (Kobe)	
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 21days	24th 181days	23rd -days	24th 59days	23rd -days	24th 59days	23rd -days	24th 16days	23rd 184days	24th 181days
Days																
Rent															332	332
Others															0	0
Total rental business income															332	332
Taxes and public dues															11	11
Management expenses	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed	-	Not Disclosed	-	Not Disclosed	0	0
Repair expenses															1	0
Insurance cost and trust fee															1	1
Others															1	1
Total rental business expenses															15	14
NOI	58	54	65	61	132	128	4	38	-	64	-	48	-	0	317	318
Depreciation and amortization	-	-	-	-	-	-	-	-	-	11	-	4	-	-	132	131
Rental business profit	58	54	65	61	132	128	4	38	-	52	-	43	-	0	184	186
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	-	Not Disclosed	-	Not Disclosed	-	Not Disclosed	2,159	2,159

Item	I2 (Haneda)		I3 (Zama)		I4 (Shinagawa)		I5 (Osaka Toyonaka)		I6 (Osaka Nanko)		I7 (Nagoya Port)		I8 (Shinagawa ITSC)		I9 (Higashimatsuyama)		23rd (Actual)	24th (Actual)
	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days	23rd 184days	24th 181days		
Days																		
Rent	1,414	1,423															9,393	9,661
Others	15	22															413	470
Total rental business income	1,429	1,445															9,806	10,131
Taxes and public dues	78	78															788	835
Management expenses	0	0	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	141	164
Repair expenses	-	-															92	97
Insurance cost and trust fee	4	4															38	39
Others	392	401															784	787
Total rental business expenses	476	485															1,844	1,923
NOI	953	960	201	201	174	178	215	204	73	73	62	62	109	153	18	18	7,961	8,207
Depreciation and amortization	246	252	35	36	40	42	28	29	9	9	-	-	39	40	-	-	1,365	1,404
Rental business profit	706	707	165	165	134	136	186	174	63	63	62	62	70	113	18	18	6,595	6,803
Total deposits (Ending balance)	974	974	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	10,674	11,377

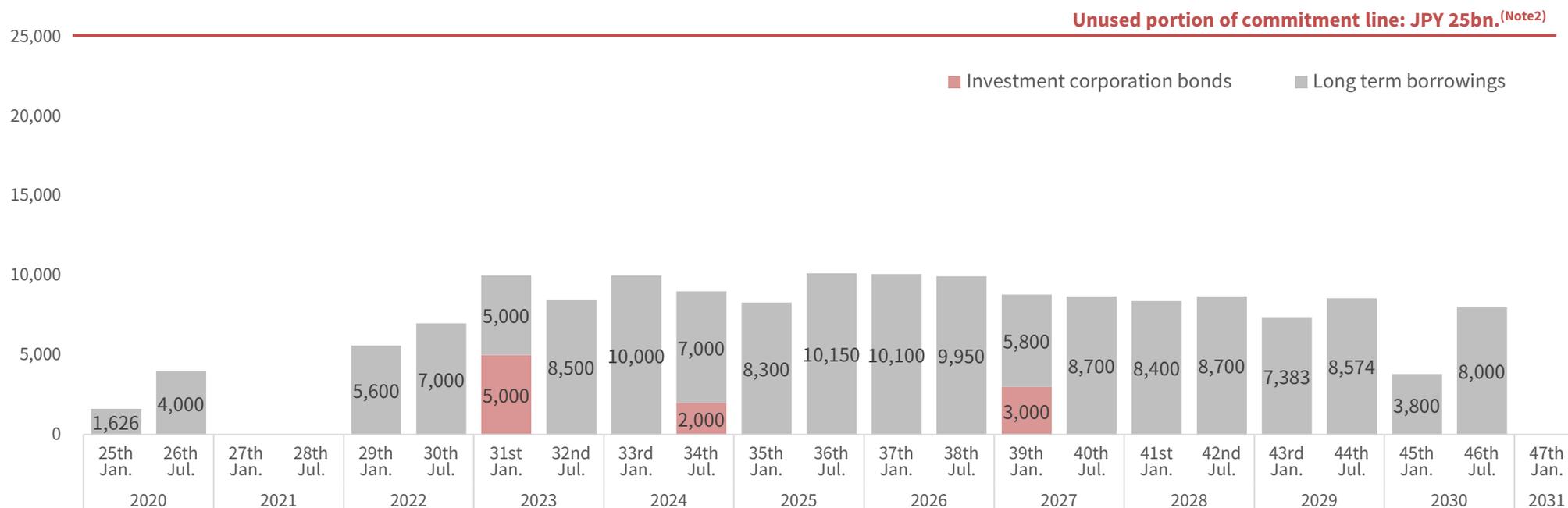
# Debt Stability (1) (As of July 31, 2019)

## Key Indices<sup>(Note1)</sup>



## Diversification of Debt Maturities

(JPYmn.)



(Note1) Contracted a new commitment line with a maximum borrowing of 5 billion yen on September 11, 2019

(Note2) Outstanding balance as of July 31, 2019 is described

# Debt Stability (2) (As of July 31, 2019)

## Lender Status

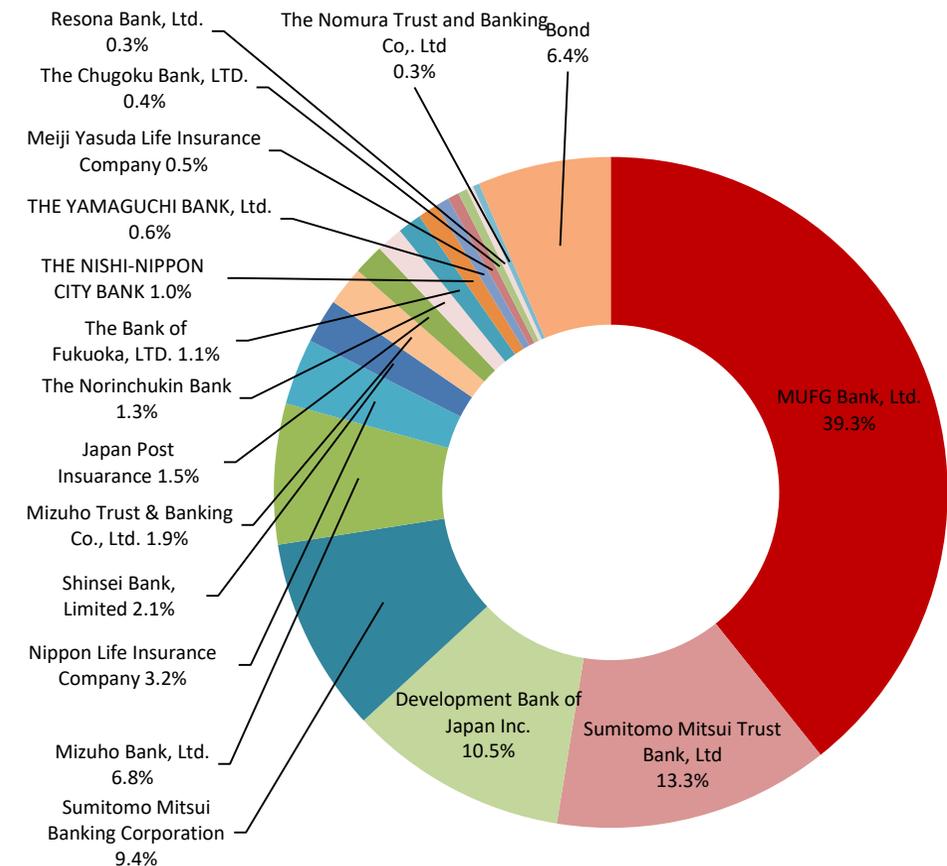
	Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)	
		Breakdown								
		Lender	Total							
Long-term borrowing	Mizuho Bank, Ltd.	1,500	1,500	Mar. 30, 2012	1.56100	Mar. 31, 2020	Fixed (Note 4)	8 years	0.7 years	
	Development Bank of Japan Inc.	1,000	1,000		2.22000	Mar. 29, 2024	Fixed	12 years	4.7 years	
	Development Bank of Japan Inc.	2,000	2,000		1.90000	Mar. 29, 2022	Fixed	10 years	2.7 years	
	Sumitomo Mitsui Banking Corporation	500	500		1.90500	Mar. 31, 2022	Fixed (Note 4)	10 years	2.7 years	
	Nippon Life Insurance Company	1,000	1,000	Jun. 29, 2012	1.42000	Jun. 30, 2020	Fixed	8 years	0.9 years	
	Sumitomo Mitsui Banking Corporation (Note 6)	1,626	1,626		1.115750	Sep. 30, 2019	Fixed (Note 4)	7 years	0.2 years	
	Development Bank of Japan Inc.	1,000	1,000	Feb. 6, 2013	1.83000	Feb. 5, 2025	Fixed	12 years	5.5 years	
	MUFG Bank, Ltd.	2,534	3,500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.5 years	
	Sumitomo Mitsui Trust Bank, Limited	966			1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.5 years	
	Sumitomo Mitsui Banking Corporation	500	500		1.48980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.5 years	
	Mizuho Bank, Ltd.	1,000	1,000		1.55000	Feb. 6, 2023	Fixed	10 years	3.5 years	
	Nippon Life Insurance Company	500	500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.5 years	
	Shinsei Bank, Limited	500	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	2.5 years	
	MUFG Bank, Ltd.	362	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	2.5 years	
	Sumitomo Mitsui Trust Bank, Limited	138			1.75000	Jun. 28, 2024	Fixed	11 years	4.9 years	
	Sumitomo Mitsui Banking Corporation	500	500		1.68475	Jun. 30, 2023	Fixed (Note 4)	10 years	3.9 years	
	Nippon Life Insurance Company	2,000	2,000		1.64650	Jun. 30, 2022	Fixed (Note 4)	9 years	2.9 years	
	Sumitomo Mitsui Trust Bank, Limited	2,500	2,500		Jun. 28, 2013	1.24050	Jun. 30, 2020	Fixed (Note 4)	7 years	0.9 years
	Mizuho Bank, Ltd.	1,500	1,500			1.40200	Oct. 18, 2023	Fixed (Note 4)	10 years	4.2 years
	The Nomura Trust and Banking Co., Ltd.	500				1.38025	Dec. 29, 2023	Fixed (Note 4)	10 years	4.4 years
	Resona Bank, Limited	500	1,500			1.31000	Aug. 6, 2024	Fixed	10.5 years	5.0 years
	THE YAMAGUCHI BANK, Ltd.	500			1.24100	Feb. 6, 2024	Fixed (Note 4)	10 years	4.5 years	
	MUFG Bank, Ltd.	700	700	1.14000	Aug. 4, 2023	Fixed	9.5 years	4.0 years		
	Sumitomo Mitsui Banking Corporation	900	900	1.03150	Aug. 5, 2022	Fixed (Note 4)	8.5 years	3.0 years		
	THE YAMAGUCHI BANK, Ltd.	500	500	0.92790	Feb. 4, 2022	Fixed (Note 4)	8 years	2.5 years		
	THE NISHI-NIPPON CHITIBANK, LTD.	500	500	1.67000	Mar. 13, 2026	Fixed	12 years	6.6 years		
	MUFG Bank, Ltd.	868	1,200	1.68675	Mar. 13, 2026	Fixed (Note 4)	12 years	6.6 years		
	Sumitomo Mitsui Trust Bank, Limited	331	1,200	Mar. 13, 2014	1.27175	Mar. 13, 2024	Fixed (Note 4)	10 years	4.6 years	
	Development Bank of Japan Inc.	1,000	1,000		0.98000	Mar. 14, 2025	Fixed	10 years	5.6 years	
	MUFG Bank, Ltd.	724	1,000		1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	5.6 years	
	Sumitomo Mitsui Trust Bank, Limited	276			1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	5.6 years	
	MUFG Bank, Ltd.	1,158	1,600	Mar. 16, 2015	0.92990	Sep. 13, 2024	Fixed (Note 4)	9.5 years	5.1 years	
	Sumitomo Mitsui Trust Bank, Limited	441			0.66090	Sep. 15, 2022	Fixed (Note 4)	7.5 years	3.1 years	
	MUFG Bank, Ltd.	1,350	1,350							
	Shinsei Bank, Limited	850	850							
	Mizuho Trust & Banking Co., Ltd.	850	850							
	MUFG Bank, Ltd.	2,570	3,550							
	Sumitomo Mitsui Trust Bank, Limited	979								
	The Chugoku Bank, Ltd.	700	700							

	Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
		Breakdown							
		Lender	Total						
Long-term borrowing	Development Bank of Japan Inc.	1,000	1,000	Mar. 31, 2015	1.26000	Mar. 31, 2027	Fixed	12 years	7.7 years
	Meiji Yasuda Life Insurance Company	850	850		1.19000	Mar. 31, 2026	Fixed	11 years	6.7 years
	Sumitomo Mitsui Trust Bank, Limited	1,500	1,500		0.98000	Mar. 31, 2025	Fixed	10 years	5.7 years
	MUFG Bank, Ltd.	832	1,150		0.91900	Sep. 30, 2024	Fixed (Note 4)	9.5 years	5.2 years
	Sumitomo Mitsui Trust Bank, Limited	317		Apr. 15, 2016	0.54500	Mar. 31, 2026	Fixed (Note 4)	10 years	6.7 years
	Mizuho Bank, Ltd.	800	800		0.50130	Mar. 31, 2026	Fixed	10 years	6.7 years
	The Bank of Fukuoka, LTD.	800	800		0.44000	Aug. 31, 2026	Fixed	10 years	7.1 years
	MUFG Bank, Ltd.	2,000	2,000		0.48500	Aug. 15, 2025	Fixed	8.5 years	6.0 years
	MUFG Bank, Ltd.	1,600	1,600	Mar. 6, 2017	0.62977	Mar. 6, 2026	Fixed	9 years	6.6 years
	MUFG Bank, Ltd.	3,255	4,500		0.67606	Sep. 4, 2026	Fixed	9.5 years	7.1 years
	Sumitomo Mitsui Trust Bank, Limited	1,244			0.49750	Mar. 6, 2025	Fixed	8 years	5.6 years
	MUFG Bank, Ltd.	2,170	3,000		0.60233	Sep. 17, 2025	Fixed	8.5 years	6.1 years
	Sumitomo Mitsui Trust Bank, Limited	829			0.53000	Mar. 17, 2026	Fixed	9 years	6.6 years
	Sumitomo Mitsui Banking Corporation	1,500	1,500		0.86600	Mar. 16, 2029	Fixed	12 years	9.6 years
	MUFG Bank, Ltd.	2,099	2,900		0.50500	Mar. 17, 2025	Fixed	8 years	5.6 years
	Sumitomo Mitsui Trust Bank, Limited	800			0.63300	Mar. 17, 2027	Fixed	10 years	7.6 years
	MUFG Bank, Ltd.	1,000	1,000	0.68000	Mar. 17, 2027	Fixed	10 years	7.6 years	
	Sumitomo Mitsui Banking Corporation	1,500	1,500	0.68000	Mar. 17, 2027	Fixed	10 years	7.6 years	
	MUFG Bank, Ltd.	2,099	2,900	0.68000	Mar. 17, 2027	Fixed	10 years	7.6 years	
	Sumitomo Mitsui Trust Bank, Limited	800		0.50500	Mar. 17, 2025	Fixed	8 years	5.6 years	
	MUFG Bank, Ltd.	4,054	5,600	Mar. 31, 2017	0.57171	Sep. 30, 2025	Fixed	8.5 years	6.2 years
	Sumitomo Mitsui Trust Bank, Limited	1,545			0.65500	Mar. 31, 2027	Fixed	10 years	7.7 years
	MUFG Bank, Ltd.	1,000	1,000		0.48500	Mar. 31, 2025	Fixed	8 years	5.7 years
	Sumitomo Mitsui Banking Corporation	600	600		0.65500	Mar. 31, 2027	Fixed	10 years	7.7 years
	Shinsei Bank, Limited	1,000	1,000		0.83800	Mar. 30, 2029	Fixed	12 years	9.7 years
	Development Bank of Japan Inc.	1,300	1,300		0.63500	Mar. 31, 2027	Fixed	10 years	7.7 years
	Mizuho Bank, Ltd.	1,200	1,200		0.34451	Sep. 30, 2022	Fixed	5 years	3.2 years
	MUFG Bank, Ltd.	2,791	3,800		Sep. 29, 2017	0.67599	Sep. 30, 2027	Fixed	10 years
	Sumitomo Mitsui Trust Bank, Limited	1,009		0.86109		Sep. 30, 2029	Fixed	12 years	10.2 years
	MUFG Bank, Ltd.	2,938	4,000	0.48077		Aug. 1, 2024	Fixed	6.5 years	5.0 years
	Sumitomo Mitsui Trust Bank, Limited	1,062		0.88100		Feb. 1, 2030	Fixed	12 years	10.5 years
	MUFG Bank, Ltd.	2,791	3,800	Feb. 1, 2018	0.67900	Feb. 1, 2028	Fixed	10 years	8.5 years
	Sumitomo Mitsui Trust Bank, Limited	1,009			0.70100	Aug. 31, 2028	Fixed	10.5 years	9.1 years
	MUFG Bank, Ltd.	2,099	2,900		0.85000	Feb. 28, 2030	Fixed	12 years	10.6 years
	Sumitomo Mitsui Trust Bank, Limited	800							
	JAPAN POST INSURANCE Co., Ltd.	2,300	2,400	Feb. 27, 2017					
	Sumitomo Mitsui Trust Bank, Limited	100							
	Mizuho Bank, Ltd.	700	700						
	Development Bank of Japan Inc.	2,500	2,500						
	Development Bank of Japan Inc.	2,500	2,500						

# Debt Stability (3) (As of July 31, 2019)

	Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)	
		Breakdown	Total							
Long-term borrowing	Development Bank of Japan Inc.	400	400	Mar. 7, 2018	0.69600	Sep. 7, 2028	Fixed	10.5 years	9.1 years	
	Sumitomo Mitsui Banking Corporation	400	400		0.59800	Sep. 7, 2027	Fixed	9.5 years	8.1 years	
	Mizuho Bank, Ltd.	400	400		0.64600	Mar. 7, 2028	Fixed	10 years	8.6 years	
	Mizuho Trust & Banking Co., Ltd.	1,100	1,100		0.64600	Mar. 7, 2028	Fixed	10 years	8.6 years	
	MUFG Bank, Ltd.	1,808	2,500	Mar. 9, 2018	0.34085	Sep. 9, 2021	Fixed	3.5 years	2.1 years	
	Sumitomo Mitsui Trust Bank, Limited	692			0.70243	Mar. 9, 2028	Fixed	10 years	8.6 years	
	MUFG Bank, Ltd.	3,618	5,000		0.80315	Mar. 9, 2029	Fixed	11 years	9.6 years	
	Sumitomo Mitsui Trust Bank, Limited	1,382			0.33529	Sep. 30, 2021	Fixed	3.5 years	2.2 years	
	MUFG Bank, Ltd.	724	1,000	Mar. 30, 2018	0.63050	Sep. 30, 2027	Fixed	9.5 years	8.2 years	
	Sumitomo Mitsui Trust Bank, Limited	303			0.67500	Sep. 29, 2028	Fixed	10.5 years	9.2 years	
	MUFG Bank, Ltd.	434	600		0.29800	Sep. 30, 2021	Fixed	3.5 years	2.2 years	
	Sumitomo Mitsui Trust Bank, Limited	165			0.57800	Sep. 30, 2027	Fixed	9.5 years	8.2 years	
	Development Bank of Japan Inc.	1,200	1,200	Mar. 29, 2019	0.62500	Mar. 31, 2028	Fixed	10 years	8.7 years	
	Sumitomo Mitsui Banking Corporation	1,000	1,000		0.38500	Sep. 30, 2027	Fixed	8.5 years	8.2 years	
	Sumitomo Mitsui Trust Bank, Limited	600	600		0.45000	Sep. 29, 2028	Fixed	9.5 years	9.2 years	
	Mizuho Bank, Ltd.	500	500		0.51000	Mar. 29, 2029	Fixed	10 years	9.7 years	
	MUFG Bank, Ltd.	1,000	1,000	May. 31, 2019	0.45792	Mar. 31, 2027	Fixed	8 years	7.7 years	
	MUFG Bank, Ltd.	1,000	1,000		0.20500	Mar. 29, 2024	Fixed	5 years	4.7 years	
	MUFG Bank, Ltd.	3,274	3,274		0.21000	Nov. 30, 2021	Fixed	2.5 years	2.3 years	
	Sumitomo Mitsui Trust Bank, Limited	500	500		0.41000	Nov. 30, 2028	Fixed	9.5 years	9.3 years	
	Sumitomo Mitsui Banking Corporation	1,500	1,500		0.24875	May. 31, 2022	Fixed	3 years	2.8 years	
	MUFG Bank, Ltd.	1,000	1,000		0.35890	Nov. 30, 2026	Fixed	7.5 years	7.3 years	
	MUFG Bank, Ltd.	900	900		0.36800	Nov. 30, 2027	Fixed	8.5 years	8.3 years	
	Sumitomo Mitsui Trust Bank, Limited	800	800		0.43300	Nov. 30, 2028	Fixed	9.5 years	9.3 years	
	Sumitomo Mitsui Banking Corporation	800	800		0.56100	May. 31, 2030	Fixed	11 years	10.8 years	
	Development Bank of Japan Inc.	1,600	1,600		0.40800	May. 31, 2028	Fixed	9 years	8.8 years	
	Mizuho Bank, Ltd.	1,000	1,000		0.46900	May. 31, 2029	Fixed	10 years	9.8 years	
	Mizuho Bank, Ltd.	1,000	1,000		0.56100	May. 31, 2030	Fixed	11 years	10.8 years	
	Nippon Life Insurance Company	1,500	1,500	0.34400	Aug. 2, 2027	Fixed	8.2 years	8.0 years		
	The Norinchukin Bank	1,000	1,000	0.46900	May. 31, 2029	Fixed	10 years	9.8 years		
	Shinsei Bank, Limited	1,000	1,000	0.46000	Nov. 30, 2028	Fixed	9.4 years	9.3 years		
	MUFG Bank, Ltd.	583	583							
	Investment corporation bonds	Second series unsecured investment corporation bonds	5,000	5,000	Dec. 27, 2012	1.40000	Dec. 27, 2022	Fixed	10 years	3.4 years
		Third series unsecured investment corporation bonds	2,000	2,000	Jun. 26, 2014	0.89000	Jun. 26, 2024	Fixed	10 years	4.9 years
		Fourth series unsecured investment corporation bonds	3,000	3,000	Dec. 26, 2016	0.40000	Dec. 25, 2026	Fixed	10 years	7.4 years
		Total / Average	156,583	156,583		0.86			9.3 years	6.1 years

## Breakdown of Lender Formation



(Note 1) Outstanding balance as of Jul. 31, 2019 is described. The same shall apply hereinafter.

(Note 2) The amounts are rounded down to the nearest million yen . The same shall apply hereinafter.

(Note 3) The applicable rate is based on the interest rate as of Sep. 11, 2019 . The same shall apply hereinafter.

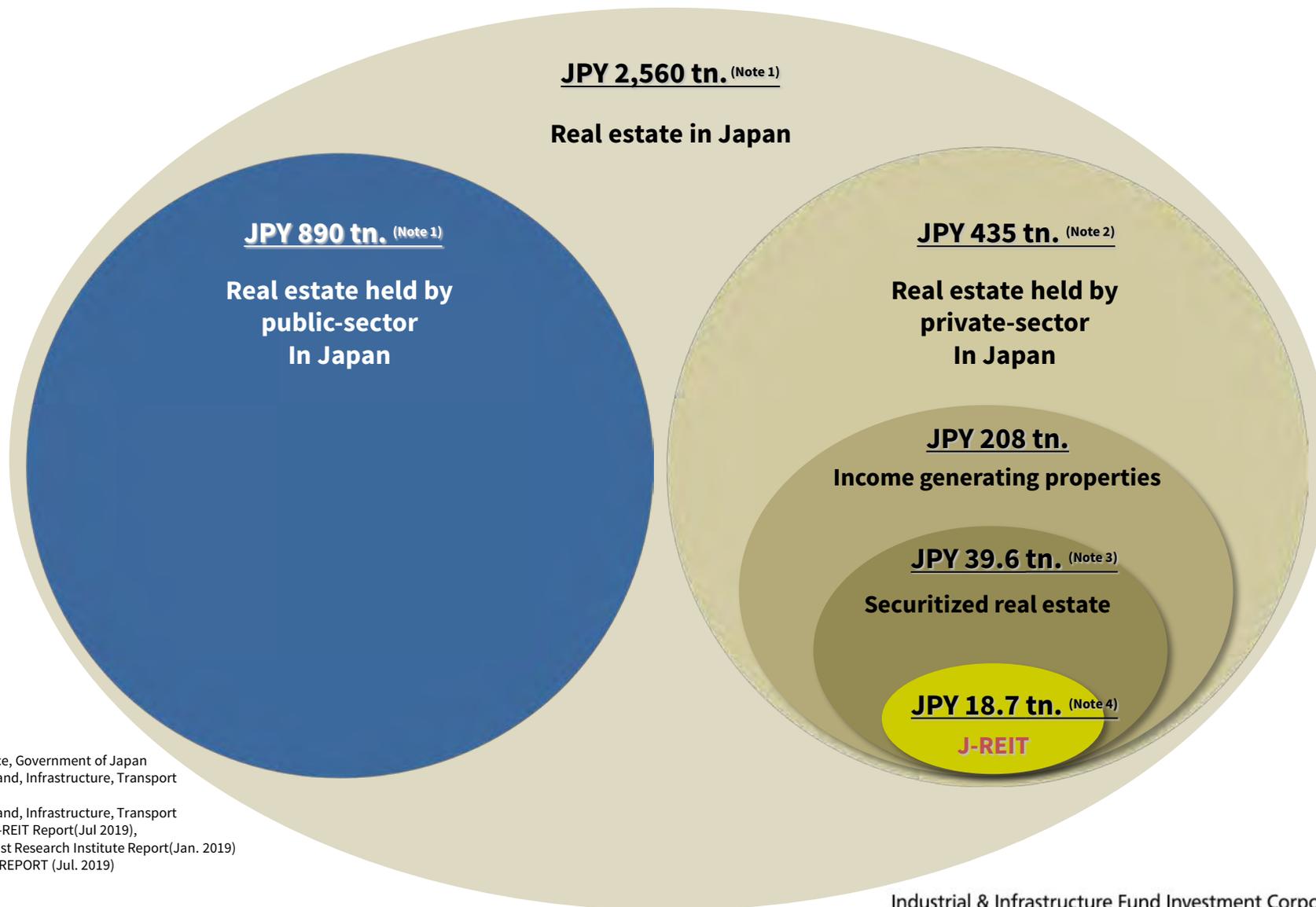
(Note 4) IIF signed an interest rate swap contract to fix the interest rate. The same shall apply hereinafter.

(Note 5) The remaining term for the existing borrowing is calculated with the base date as of Jan. 31, 2019. The average is calculated by weighting the remaining term of each borrowing according to the borrowing amount. The same shall apply hereinafter.

(Note 6) Long term borrowing includes a current portion of long term borrowings which will reach maturity within one year. The same shall apply hereinafter.

# Prodigious Growth Potential with less Acquisition Competition

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

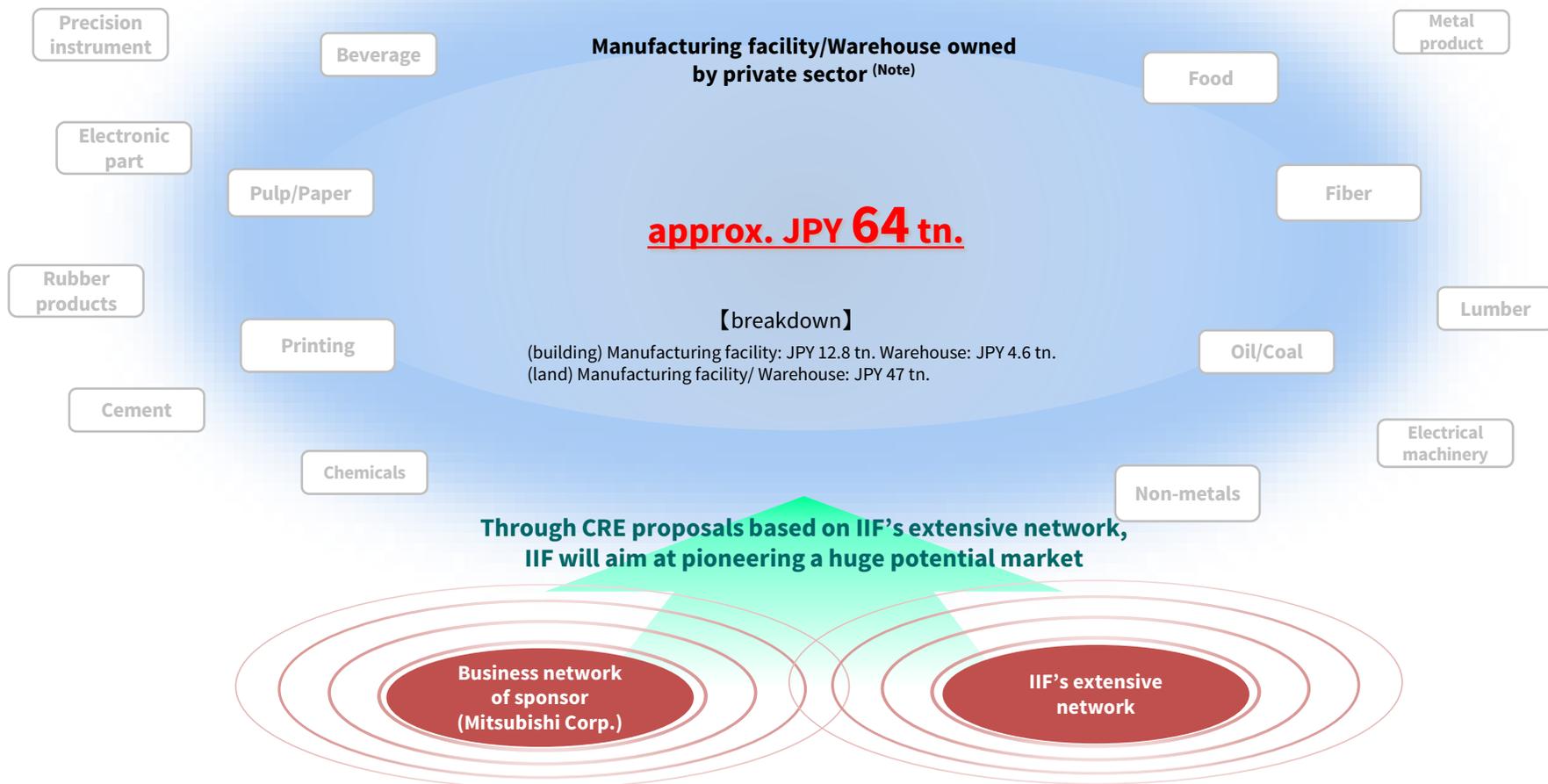


(Note1) Source: Cabinet Office, Government of Japan  
(Note2) Source: Ministry of Land, Infrastructure, Transport and Tourism  
(Note3) Source: Ministry of Land, Infrastructure, Transport and Tourism, ARES J-REIT Report(Jul 2019), Sumitomo Mitsui Trust Research Institute Report(Jan. 2019)  
(Note4) Source: ARES J-REIT REPORT (Jul. 2019)

# Potentials of Manufacturing Facility Investments

Continuously lead acquisition of the high potential manufacturing facility market

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



- Operating with over 200 bases and over 1,200 consolidated subsidiaries in Japan and overseas
- Leverage business network across various industries

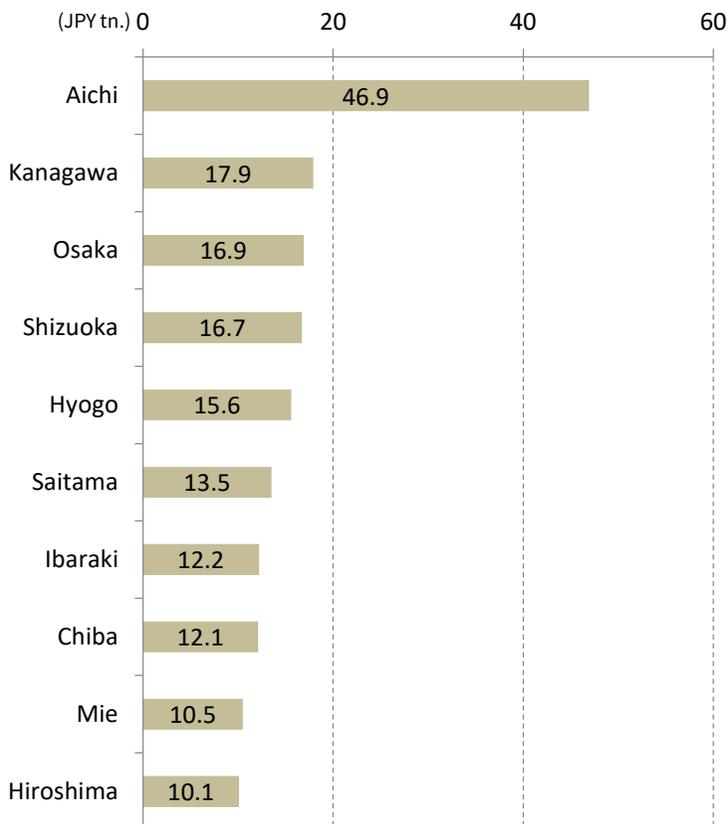
- Rich network established through CRE propositions efforts
- Established trust with a wide range of industries, including the public sector

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

# Manufacturing Facilities Location Trends

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

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

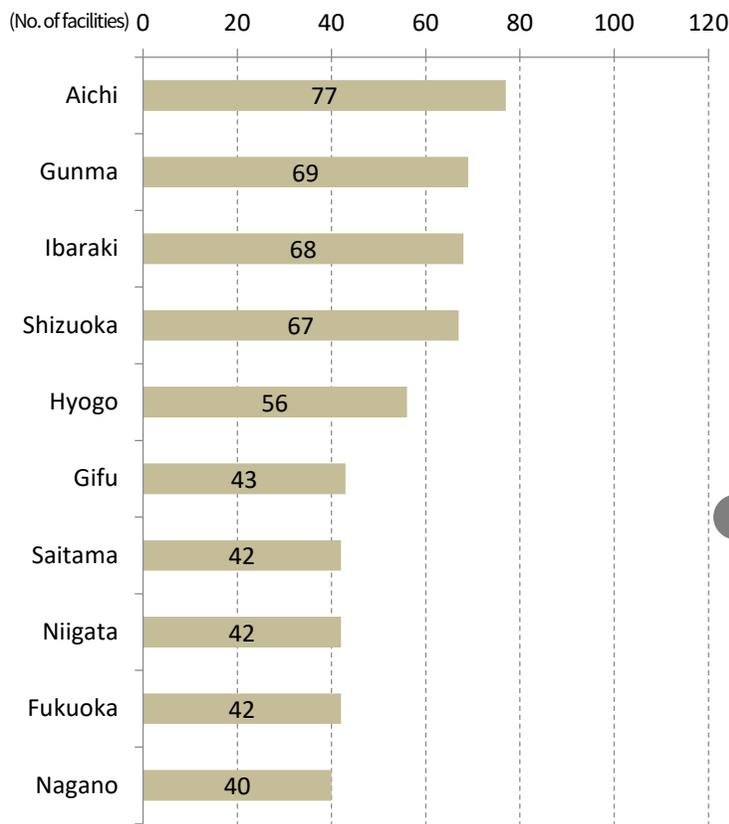


(Source) Ministry of Economy, Trade and Industry, "Census of Manufacture", 2018

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

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

Manufacturing facilities construction in 2018 is concentrated in land areas of Tokai region and Northern Kanto region



(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2018 Preliminary Report (January–December)"

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

## Reasons to choose locations

(No. of responses)

Proximity to HQ and other factories of its own	301
Land price	168
A lot in an industrial park	133
Access to expressway	125
Proximity of affiliated companies	116
Aid from national/local governments	115
Proximity to markets	114
Access to labor/talents	106
Less limitation due to surrounding environment	91
Sincerity/enthusiasm/speed of local government	83
Access to raw materials	70
Others	70
Access to distribution and service-industry operations	33
Access to industrial water supply	20
Personal contact with other managers	16
Access to airport, seaport, and rail	8
Share location with other companies	6
Developed academic research institute	4

## Reasons to choose locations in Japan rather than abroad

(No. of responses)

Proximity to markets	24
Access to good labor	23
Aid/cooperation from national/local government	23
Proximity of affiliated companies	22
Access to raw materials	15
Organized industrial foundation	9
Political stability and security	5
Others	5
Organized distribution system	4
Developed service-industry operations for the location	3
Care for intellectual property right	2

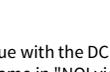
(Source) Ministry of Economy, Trade and Industry, "Survey of Factory Location Trends: 2018 Preliminary Report (January–December)"



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# IIF's Main Manufacturing and R&D Facilities

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

		Portfolio			NOI Yield <sup>(Note1)</sup> (NOI Yield after Depreciation)	1. Acquisition Price (million yen)	2. Appraisal Value (%) <sup>(note2)</sup>	Contract Term (Remaining Term)
Name of Property		Pictures	Date of Acquisition	Type of Ownership	<b>DPU Growth</b>		<b>NAV Growth</b>	<b>Stable DPU</b>
Manufacturing Facilities	<b>Development Project</b>							
	IIF Atsugi Manufacturing Center (land with leasehold interest)		2018/4	<b>Land</b>	<b>5.2%</b> (5.2%)	<b>4,940</b>	<b>5,290</b> (+5.7%)	<b>30.0 years</b> (29.9 years)
	IIF Totsuka Manufacturing Center (land with leasehold interest)		2018/3	<b>Land</b>	<b>5.0%</b> (5.0%)	<b>2,300</b>	<b>2,590</b> (+7.3%)	<b>50.0 years</b> (48.6 years)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)		2018/3	<b>Land</b>	<b>6.2%</b> (6.2%)	<b>1,608</b>	<b>1,860</b> (+9.9%)	<b>20.0 years</b> (17.7 years)
	IIF Yokosuka Technology Center		2017/2	Land & Building	<b>7.2%</b> (6.5%)	<b>4,000</b>	<b>4,480</b> (+6.5%)	<b>10.0 years</b> (7.1 years)
	IIF Shonan Technology Center		2017/2	Land & Building	<b>6.6%</b> (6.0%)	<b>1,200</b>	<b>1,340</b> (+2.5%)	<b>10.0 years</b> (7.1 years)
IIF Urayasu Machinery Maintenance Center (land with leasehold interest)		2016/3	<b>Land</b>	<b>6.0%</b> (6.0%)	<b>1,300</b>	<b>1,660</b> (+23.4%)	<b>49.0 years</b> (45.7 years)	
R&DC	IIF Shinkawasaki R&D Center		2019/6	Land & Building	<b>7.4%</b> (6.3%)	<b>6,300</b>	<b>8,510</b> (+28.6%)	<b>10.0 years</b> (10.7 years)
	IIF Sagamihara R&D Center		2015/3	Land & Building	<b>9.6%</b> (8.3%)	<b>3,100</b>	<b>4,660</b> (+40.6%)	<b>9.9 years</b> (8.3 years)
	<b>Development Project</b>							
	IIF Kawasaki Science Center		Land 2013/2 Build. 2014/5	Land & Building	<b>7.4%</b> (5.2%)	<b>2,168</b>	<b>2,950</b> (+46.4%)	<b>15.0 years</b> (9.8 years)
	IIF Yokohama Tsuzuki Technology Center		2010/12	Land & Building	<b>7.6%</b> (6.2%)	<b>1,100</b>	<b>1,340</b> (+8.6%)	<b>22.0 years</b> (11.2 years)
IIF Totsuka Technology Center (land with leasehold interest)		2010/3	<b>Land</b>	<b>6.1%</b> (6.1%)	<b>4,500</b>	<b>5,390</b> (+18.4%)	<b>30.0 years</b> (20.7 years)	
				(Reference) Portfolio Total	5.8% (4.8%)	298,224	351,339 (+18.7%)	15.3 years (8.0 years)

(Note 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 report upon acquisition for each of the (anticipated) acquisitions. If special circumstances are expected in the first year, the second or later year net revenue is used. This is the same in "NOI yield (after depreciation)" as shown below.

(Note 2) Percentile means the difference between appraisal value and the acquisition price. Appraisal values are inherently speculative and subject to various assumptions, estimates and judgments. An acquired or anticipated acquisition price of a property that is lower than its appraisal value does not imply that IIF may be able to capture the difference between the acquired or anticipated acquisition price and appraisal value upon its disposition.

# IIF's Main Land with Leasehold Interest

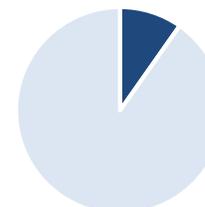
■ Mainly acquire land and property for all asset type but also invest in land with leasehold interest in accordance with versatility of property

Portfolio			NOI Yield (NOI Yield after Depreciation) <b>DPU Growth</b>	1. Acquisition Price (million yen)	2. Appraisal Value <b>NAV Growth</b>	3. Land Price	Contract Term (Remaining Term) <b>Stable DPU</b>
Name of Property	Date of Acquisition						
Logistics	IIF Narashino Logistics Center (land with leasehold interest)	 2010/2	6.4% (6.4%)	1,190	2,880 (+135.5%)	3,220 (+170.6%)	20.0 years (2.1 years)
Infra-structure	IIF Nagoya Port Tank Terminal (land with leasehold interest)	 2014/2	6.6% (6.6%)	1,900	2,240 (+12.1%)	2,320 (+22.1)	49.9 years (44.5 years)
R&DC	IIF Totsuka Technology Center (land with leasehold interest)	 2010/3	6.1% (6.1%)	4,500	5,390 (+18.4%)	5,250 (+16.7%)	30.0 years (20.7 years)
Manu- facturing	IIF Totsuka Manufacturing Center (land with leasehold interest)	 2018/3	5.0% (5.0%)	2,300	2,590 (+7.3%)	3,110 (+35.2%)	50.0 years (48.6 years)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)	 2018/3	6.2% (6.2%)	1,608	1,860 (+9.9%)	2,010 (+25.0%)	20.0 years (17.7 years)
	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	 2016/3	6.0% (6.0%)	1,300	1,660 (+23.4%)	1,760 (+35.4%)	49.0 years (45.7 years)

## Versatility of Manufacturing Facility: Key Consideration Points

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

## Total Portfolio Acquisition Price 298.2 bn. in Portfolio Total



<Land with leasehold interest>  
JPY 29bn.  
Inv. Ratio 9.7%

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

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

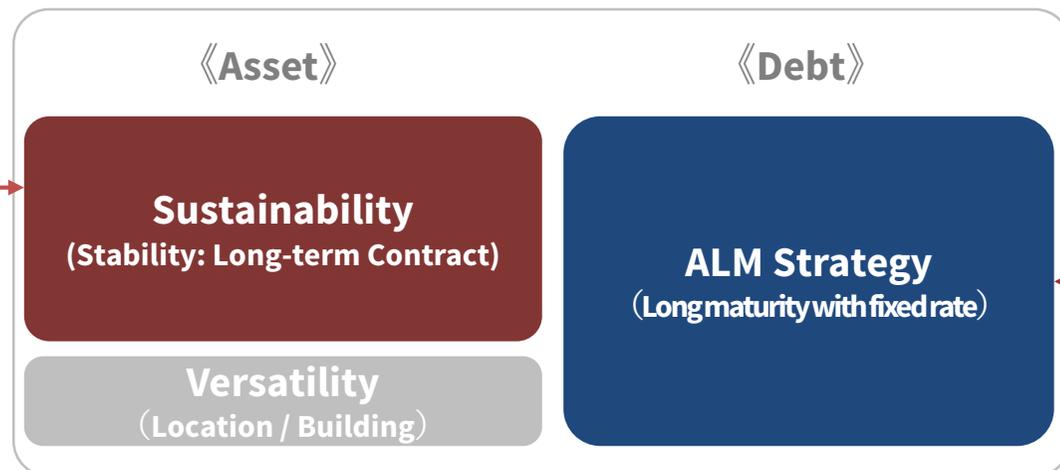
## 《Main Risk Factors》

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

## 《IIF's Risk Measures》

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

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

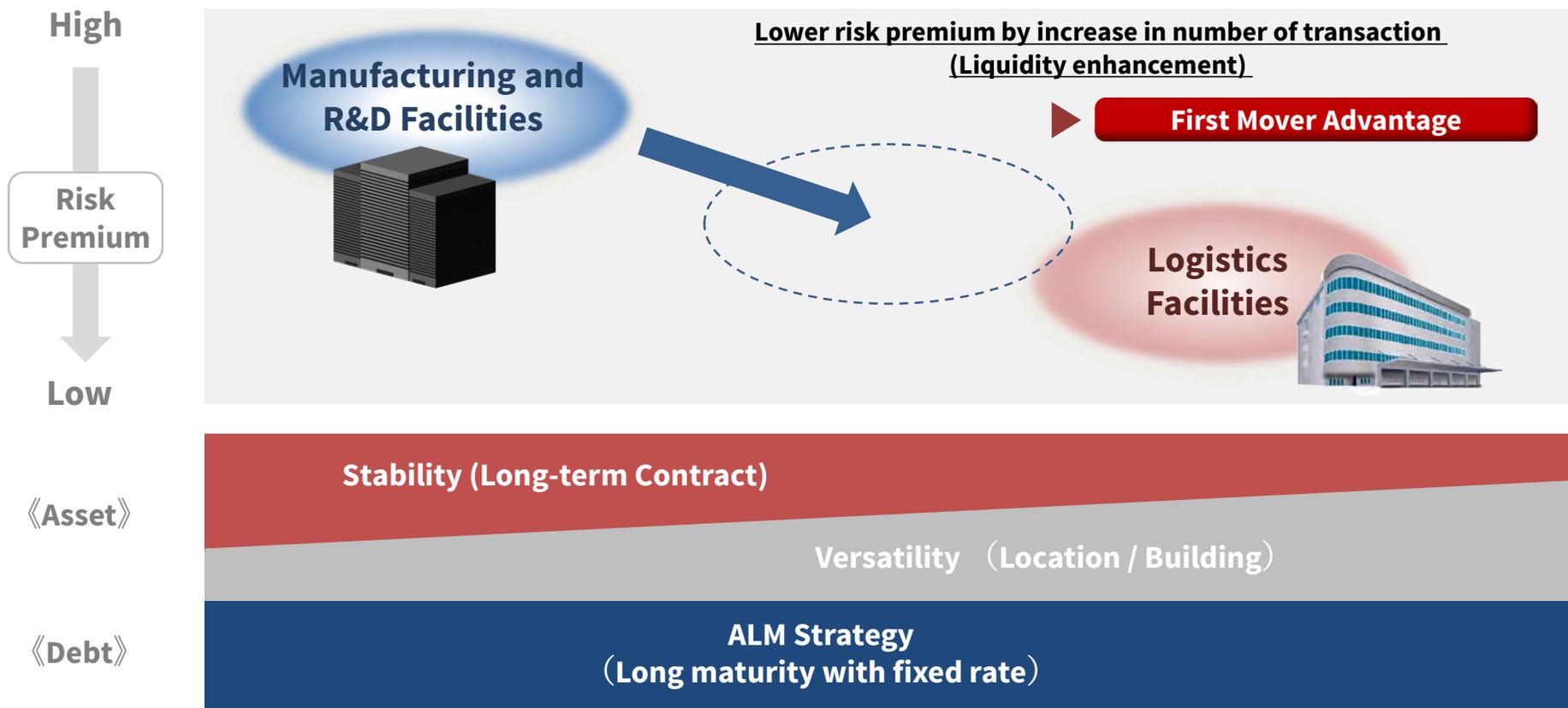


# IIF's Proactive Approach to Manufacturing and R&D Facilities Investment Risks(2)

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

※Image of risk measures until risk premium is lowered

## - Realization of First-Mover Advantages -



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# Potential for CRE (1)

## Initiatives to improve capital efficiency

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

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

**“GPIF”**  
**Recent Changes to Government Pension Investment Fund investment policies**  
 Investment policy changed to support investment managers who comply with the Japanese Stewardship Code (e.g., use of JPX Nikkei Index 400 as a benchmark)

Index change brings discipline

**“JPX400”**  
**Launch of JPX Nikkei Index 400**  
 Eligibility criteria include 3-year average ROE as a benchmark, 3-year accumulated operating profits, appointment of independent outside directors and adoption of IFRS.

Investor communications seeking to improve capital efficiency

**“Stewardship Code”**  
**Formulation of Japan Stewardship Code**  
 Japanese institutional investors have accepted the new Stewardship Code which has as its core tenet the improvement of corporate value and efficiency through increased dialogue between institutional investors and Japanese companies (256 institutional investors accepted)<sup>(Note 1)</sup>

**Increasing focus on ROE**

Quantitative target requirements

**“Corporate Governance Code”<sup>(Note2)</sup>**  
**Japan’s new Corporate Governance Code**  
 The new Code became effective on June 1, 2015, under which listed companies are required to present targets of profitability and capital efficiency and to mention how to allocate managerial resources to meet such targets, in their business strategy and plans

ISS amendments increase pressure to achieve 5% ROE

**“ISS”**  
**Amendments to Institutional Shareholder Services Inc.’s proxy voting guidelines**  
 ISS’s amendments recommend investors that vote against directors if a company’s average ROE is lower than 5% for 5 consecutive fiscal period (effective as of February 2015)<sup>(Note 3)</sup>

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

(Note 1) Japanese Version of Stewardship Code was established in February 2014 at the Council of Experts on the Stewardship Code, and was revised in May 2017. The figure is for the Institutional investors accepted as of August. 1, 2019.

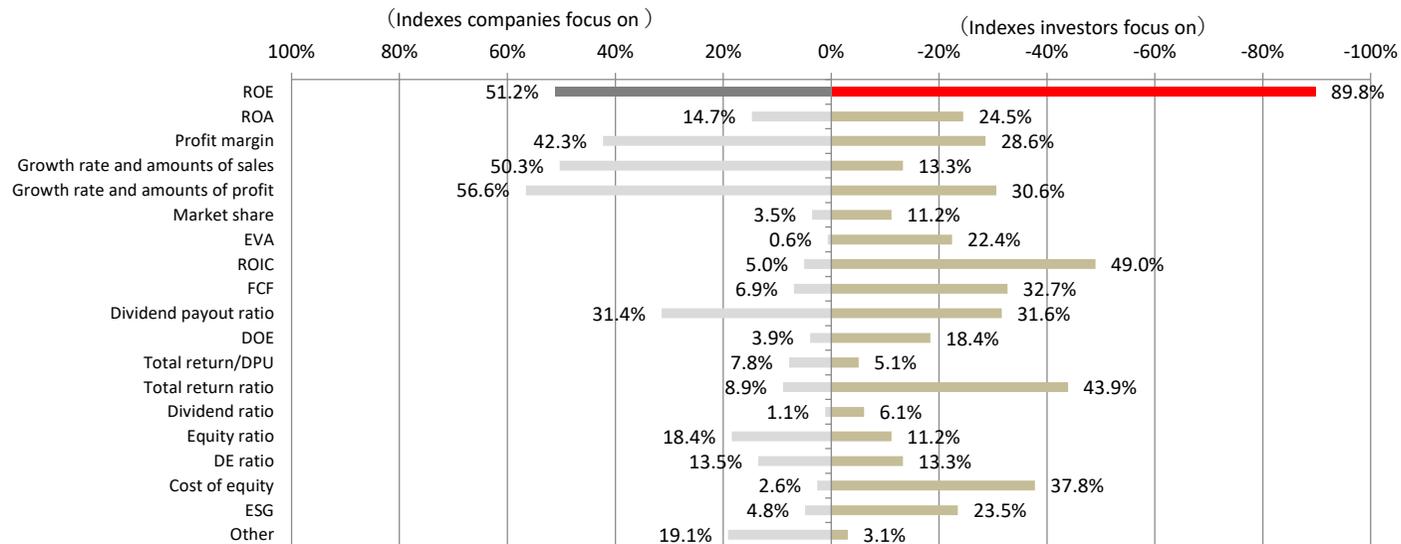
(Note 2) Corporate Governance Code refers to the policy established by Tokyo Stock Exchange and was implemented in June 2015 as a guide to basic corporate governance practice for the listed companies.

(Note 3) Except for the case where ROE of the most recent fiscal year is 5% or more

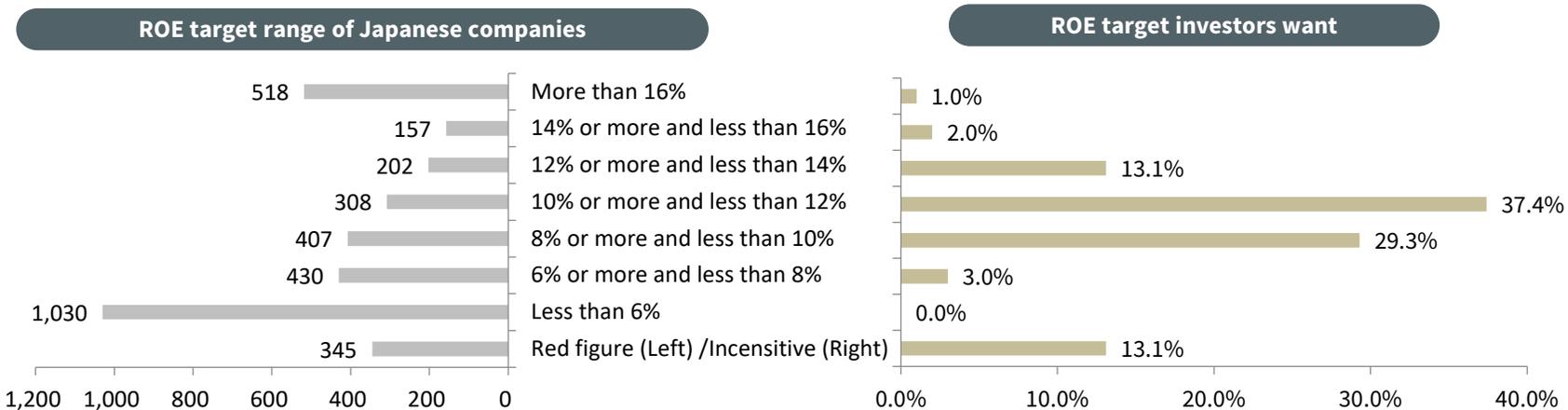
# Potential for CRE (2)

## Increasing focus on CRE from capital market

### ■ Important indexes for companies



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



(Source) Survey by the Life Association of Japan

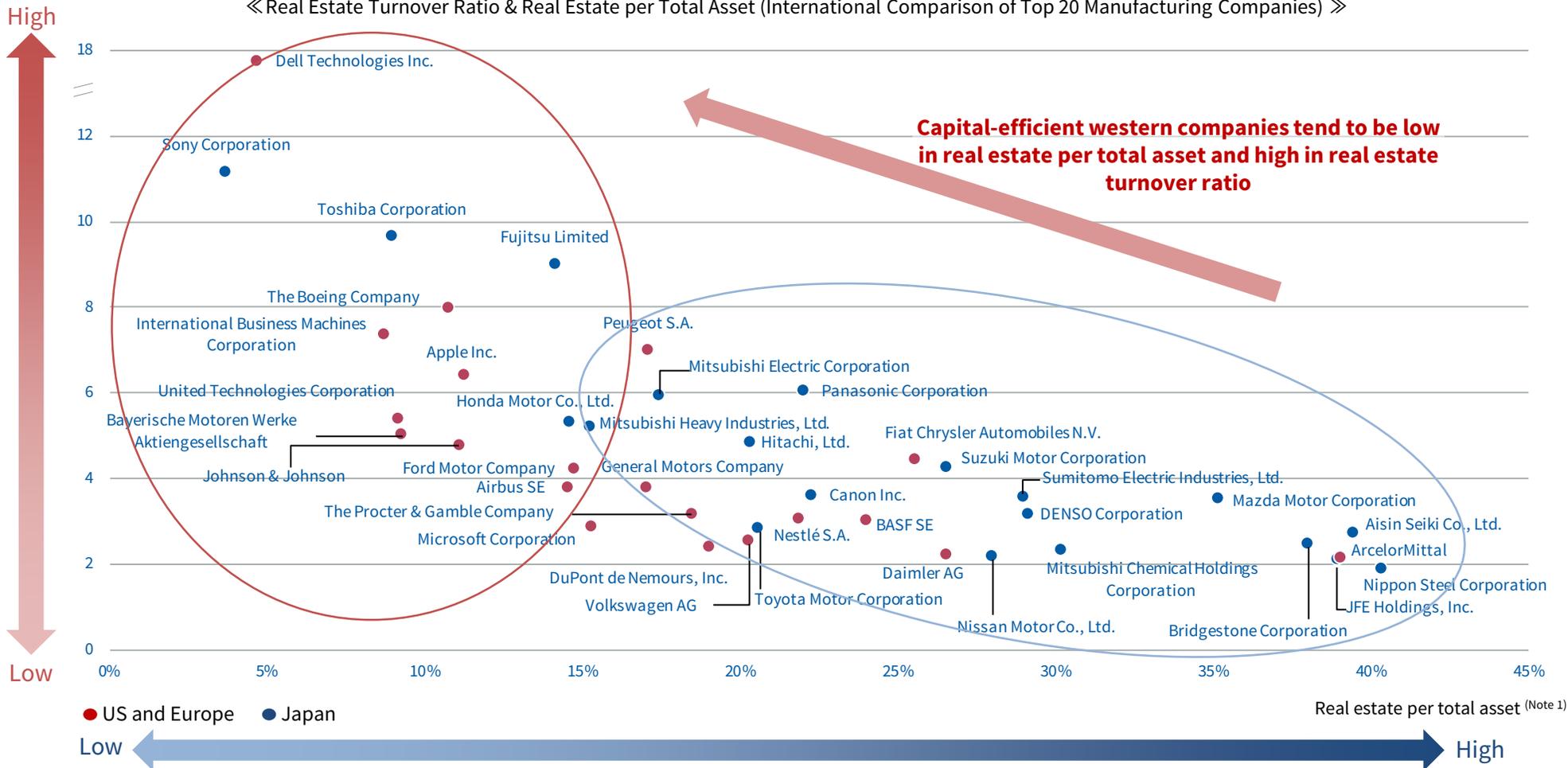
# Potential for CRE (3)

Seek external growth opportunities through CRE proposals as a solution provider

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

Real estate turnover ratio (Note 1)

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

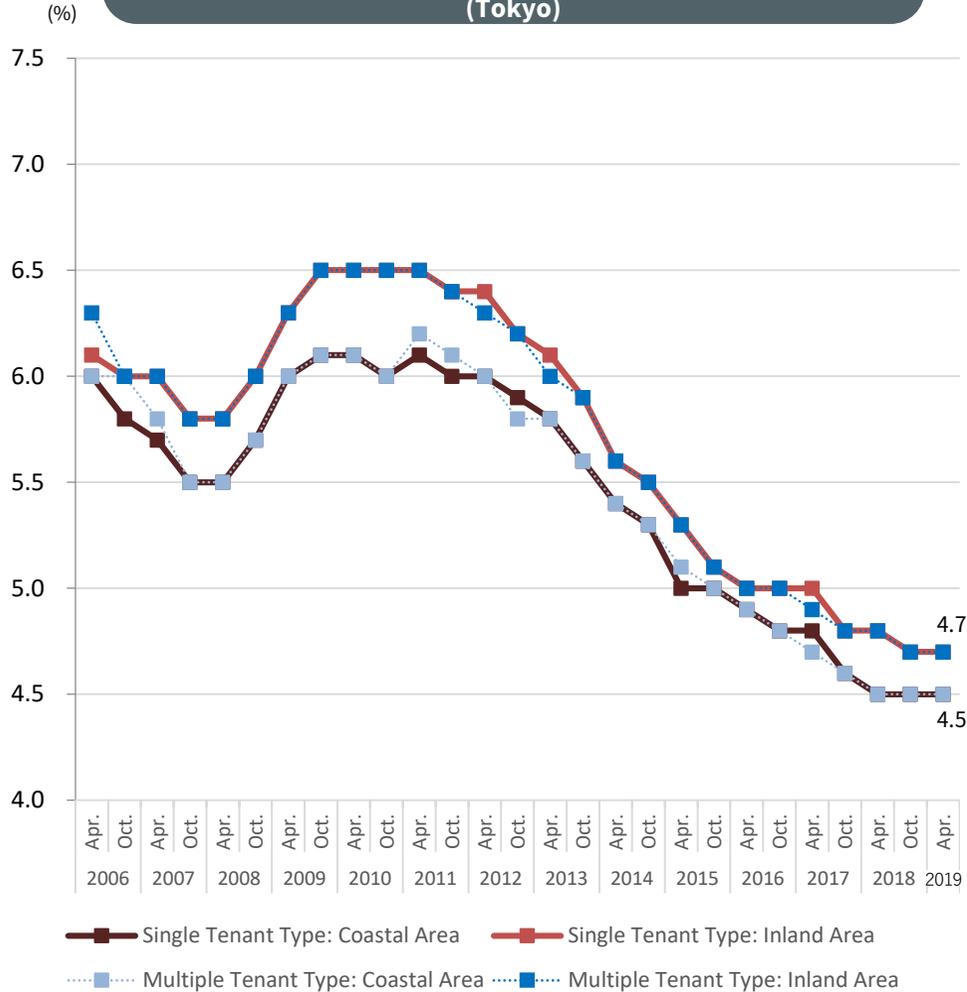


(Source) Prepared by the Asset Manager based on Capital IQ  
 (Note 1) Real estate turnover ratio=revenue / net tangible fixed asset, Real estate per total asset=net tangible fixed asset / total asset

# Overview of the Logistics Market (1)

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

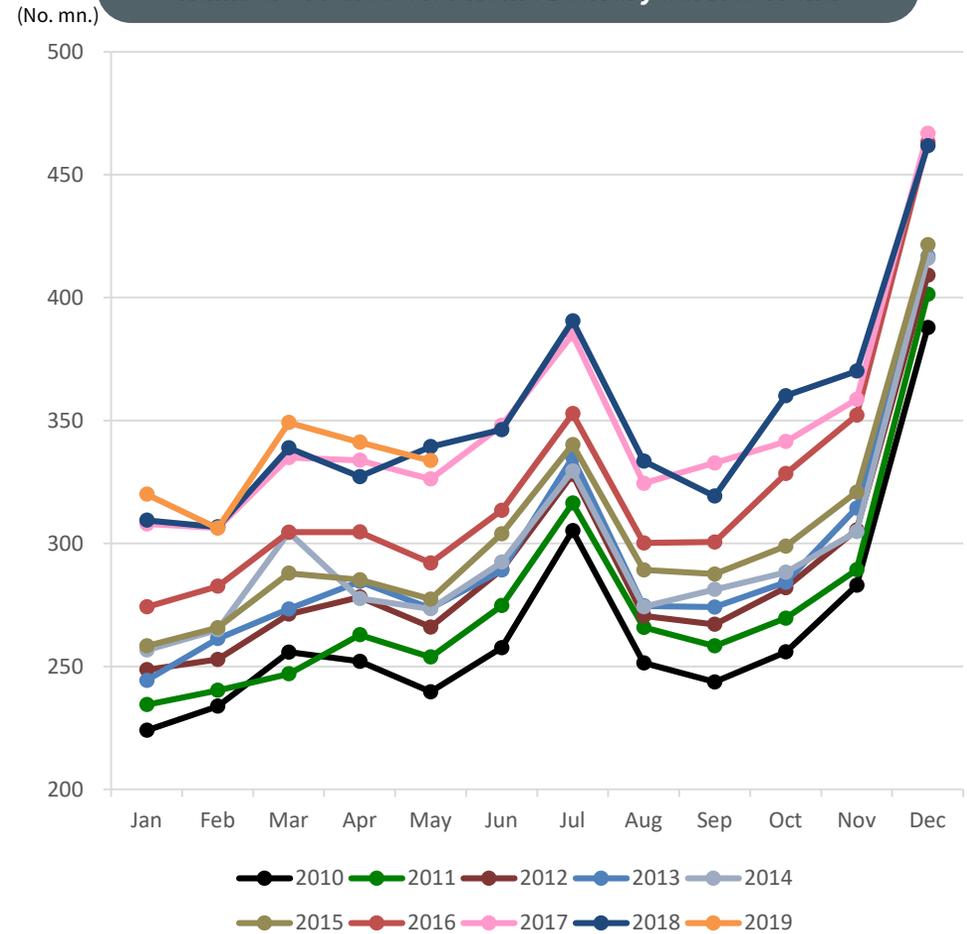
**Expected Cap Rate of Logistics Properties and Warehouses (Tokyo)**



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

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

**Number of Parcels for Home Delivery Service Trend**

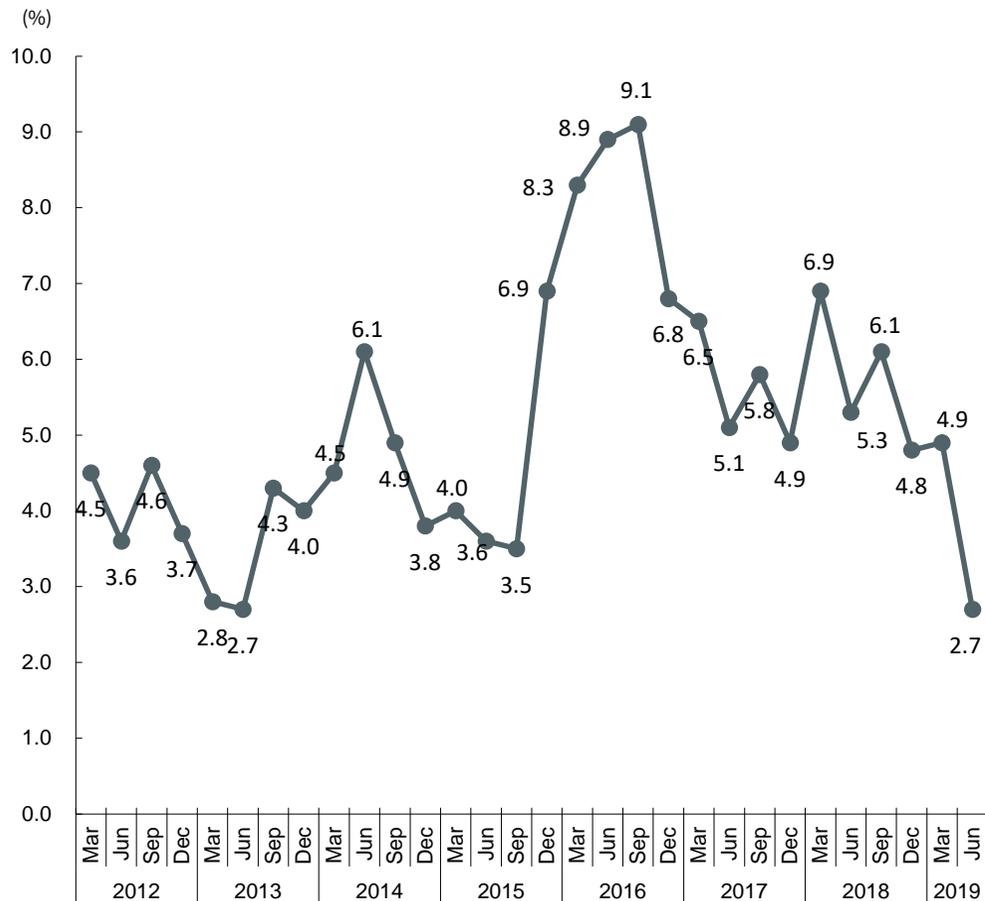


(Source) Ministry of Land, Infrastructure, Transport and Tourism

# Overview of the Logistics Market (2)

■ Although supply of new large-scale facilities are continuing, vacancy rate declined to 2.7% in Jun 2019 through active demand.

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

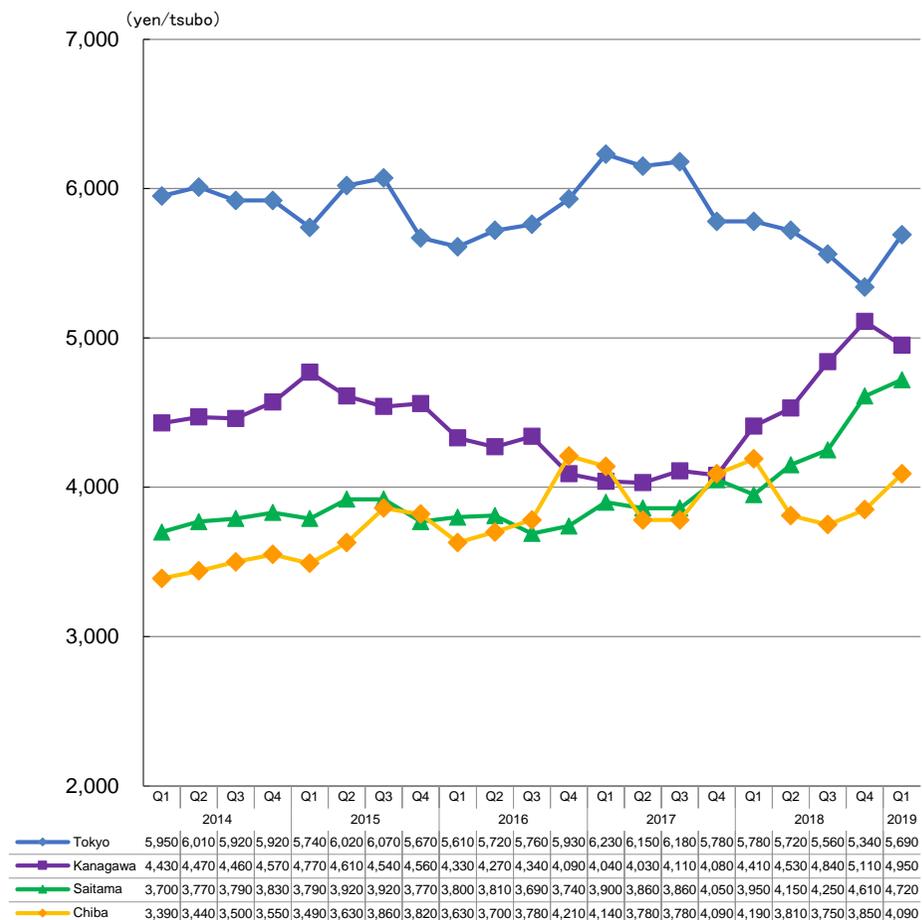


\*Vacancy rate covers 148 multi-type facilities with floor area of 10,000 tsubo and more in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama)

(Source) CBRE: Japan Logistics Market View

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

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



(Note) Based on CBRE Data

# Unit Price Performance (Jan. 4, 2010 ~ Aug. 30, 2019)



(Source) Bloomberg

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

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

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

# Historical Market Capitalization and Trading Volume (Jan. 4, 2010 ~ Aug. 30, 2019)



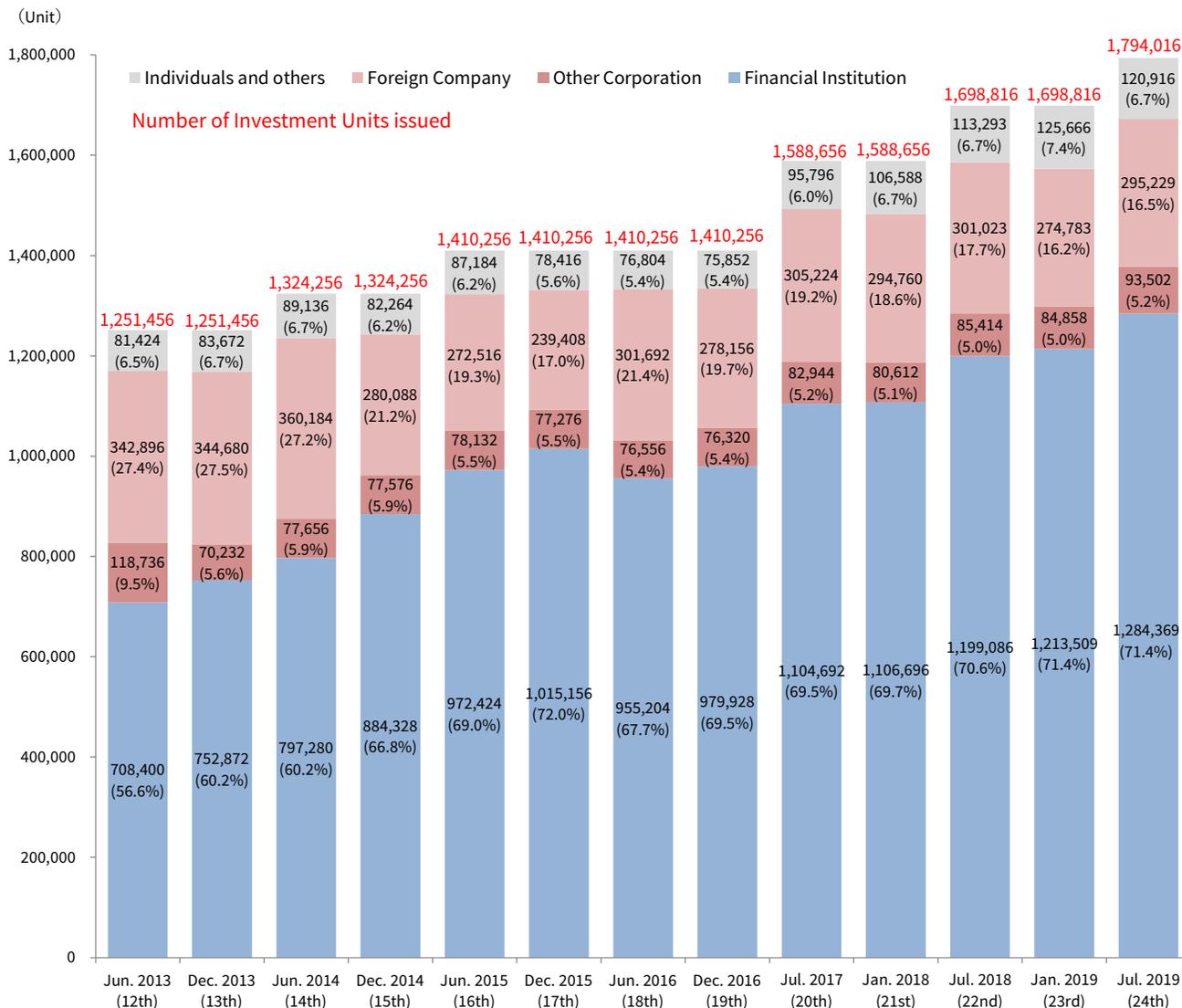
(Source) Bloomberg  
 (Note 1) Based on closing prices  
 (Note 2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

# Investors' Attributes

Top 20 Investors as of the End of July 2019

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	299,060	16.66
2	Master Trust Bank of Japan, Ltd. (Trust Account)	251,266	14.00
3	Nomura Trust and Banking Co., Ltd. (Trust Account)	71,534	3.98
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	55,045	3.06
5	Rakuten General Insurance Co., Ltd.	33,600	1.87
6	Mitsubishi Corporation	25,600	1.42
7	The Chugoku Bank, LTD.	24,601	1.37
8	Mizuho Trust & Banking Co., Ltd.	22,787	1.27
9	The Gunma Bank, Ltd.	22,565	1.25
10	Joyo Bank, Ltd.	22,232	1.23
11	The Hachijuni Bank, Ltd.	22,220	1.23
12	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	21,658	1.20
13	Mitsubishi UFJ Trust and Banking Corporation	20,972	1.16
14	STATE STREET BANK WEST CLIENT - TREATY 505234	20,363	1.13
15	Development Bank of Japan Inc.	20,000	1.11
16	The Shinkumi Federation Bank	19,721	1.09
17	The Chukyo Bank, Ltd.	18,424	1.02
18	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	16,147	0.90
19	BNYM AS AGT/CLTS 10 PERCENT	15,304	0.85
20	THE ASHIKAGA BANK, LTD.	15,034	0.83
Total of Top 20		1,018,133	56.75

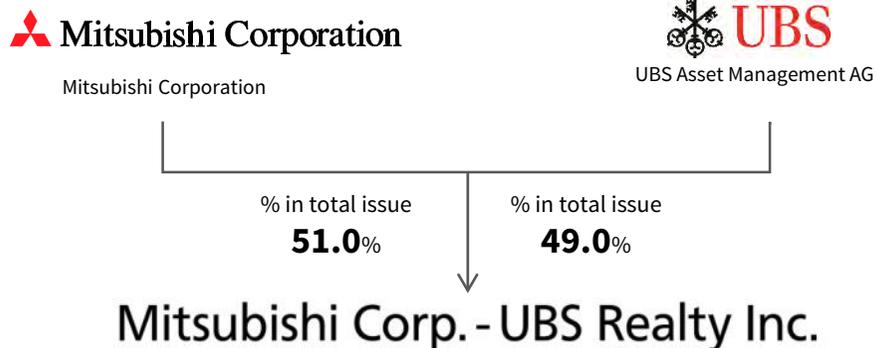
Unit Holder Composition



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

# Overview of the Asset Management Company

## Shareholders of Asset Management Company



## Asset Management Company:

- Number of Directors and Employees 152 (excluding part-time directors and employees, and seconded employees)

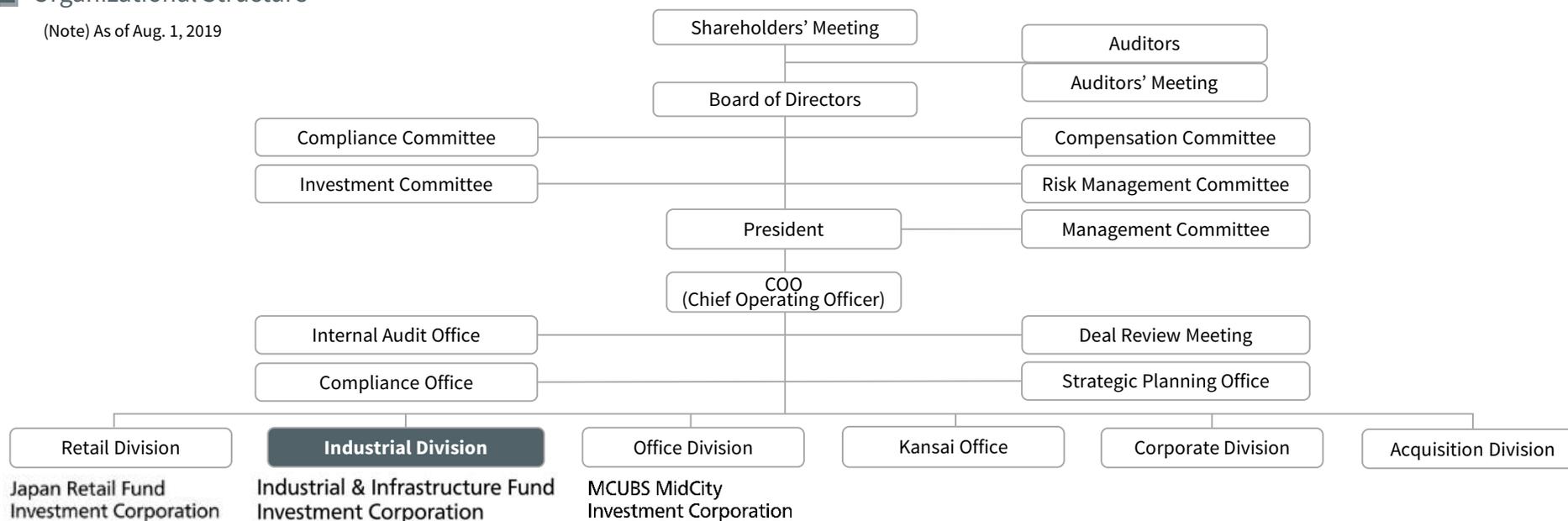
## Number of Licensed Persons Out of the Above

- Licensed Real Estate Agents 52
- First-class Architects 10
- Real Estate Appraisers 7
- Certified Member of Security Analysts Association of Japan 8
- Certified Public Accountants 6
- Certified Tax Accountants 5
- MBA (including US and UK) 1

(Note) As of Aug. 31, 2019

## Organizational Structure

(Note) As of Aug. 1, 2019



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Think bold today for a brighter tomorrow.



## Industrial & Infrastructure Fund Investment Corporation

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

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

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

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