

Think bold today for a brighter tomorrow.

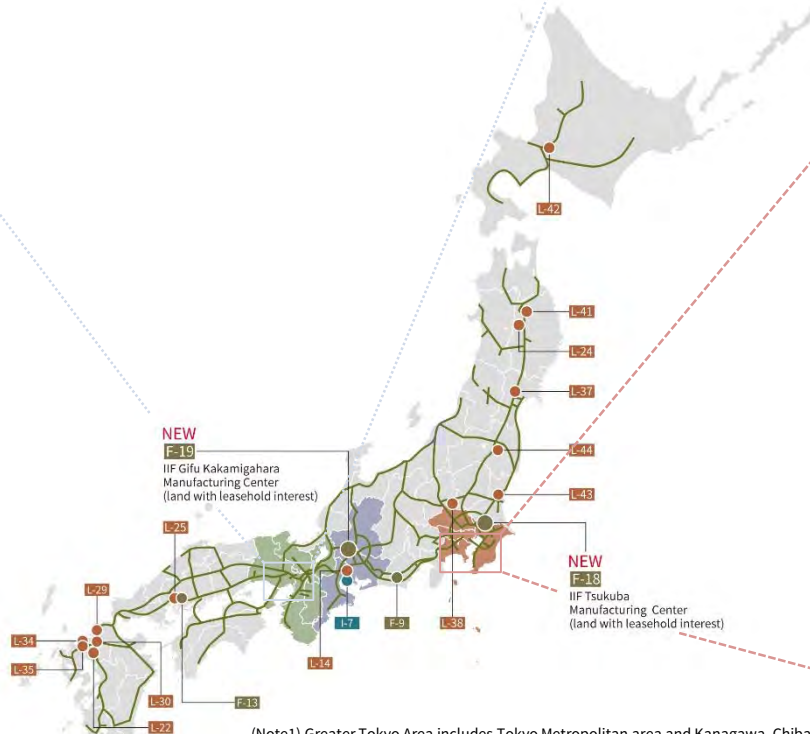
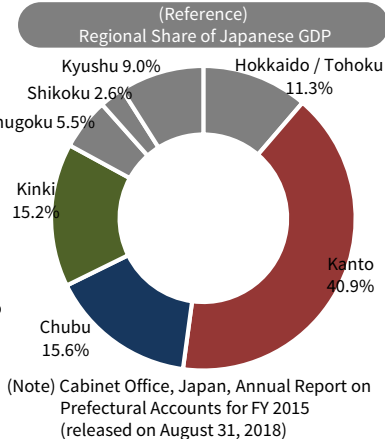
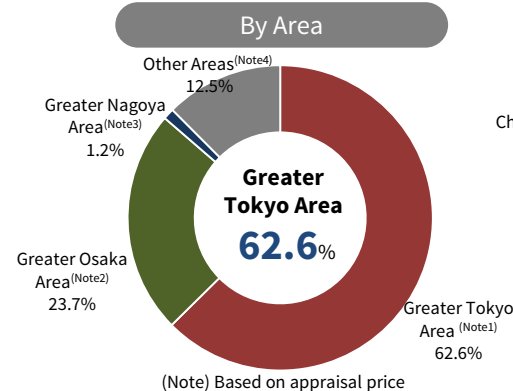
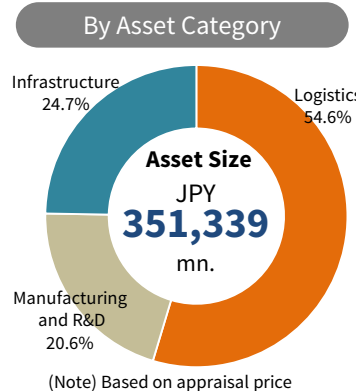


# Investor Presentation for the July 2019 (24th) Period ～Appendix～

[Security Code]

# 3249

# Our Portfolio (As of August 1, 2019)



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

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

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

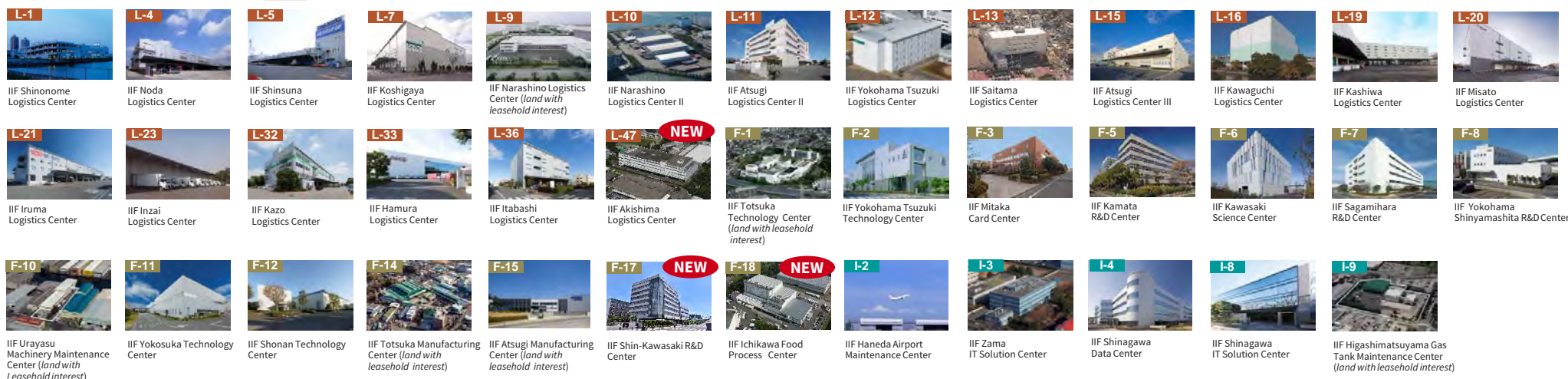
(Note4) Other Areas are areas other than Greater Tokyo Area, Greater Osaka Area and Greater Nagoya Area.



# Our Portfolio (As of August 1, 2019)

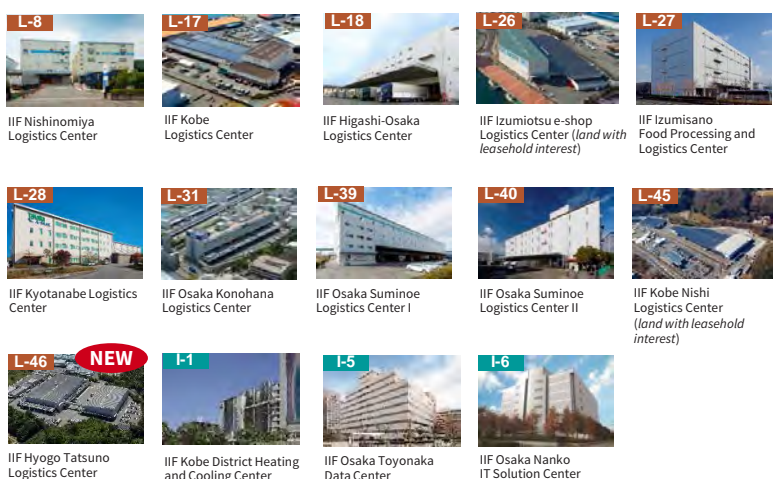
## Greater Tokyo Area<sup>(Note1)</sup> 38 properties

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



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

Logistics: 11 properties  
Infrastructure: 3 properties



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

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



## Other Area<sup>(Note4)</sup> 16 properties

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



(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                    | 6,300million           |
| Appraisal Value                      | 8,510million           |
| Unrealized gain (Ratio) (Note1)      | +2,210million (+35.1%) |
| NOI Yield (Note2)                    | 7.4%                   |
| NOI Yield after depreciation (Note2) | 6.3%                   |

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





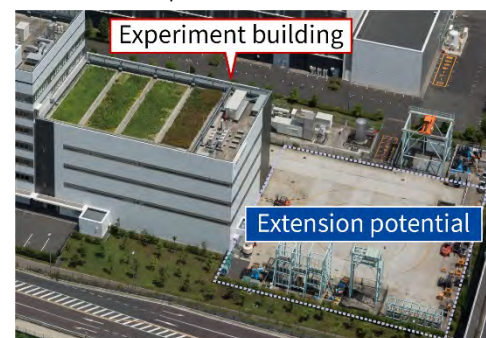
## IIF Shin-Kawasaki R&D Center (Cont'd)

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

2 building allocation of Office building/ Experiment building



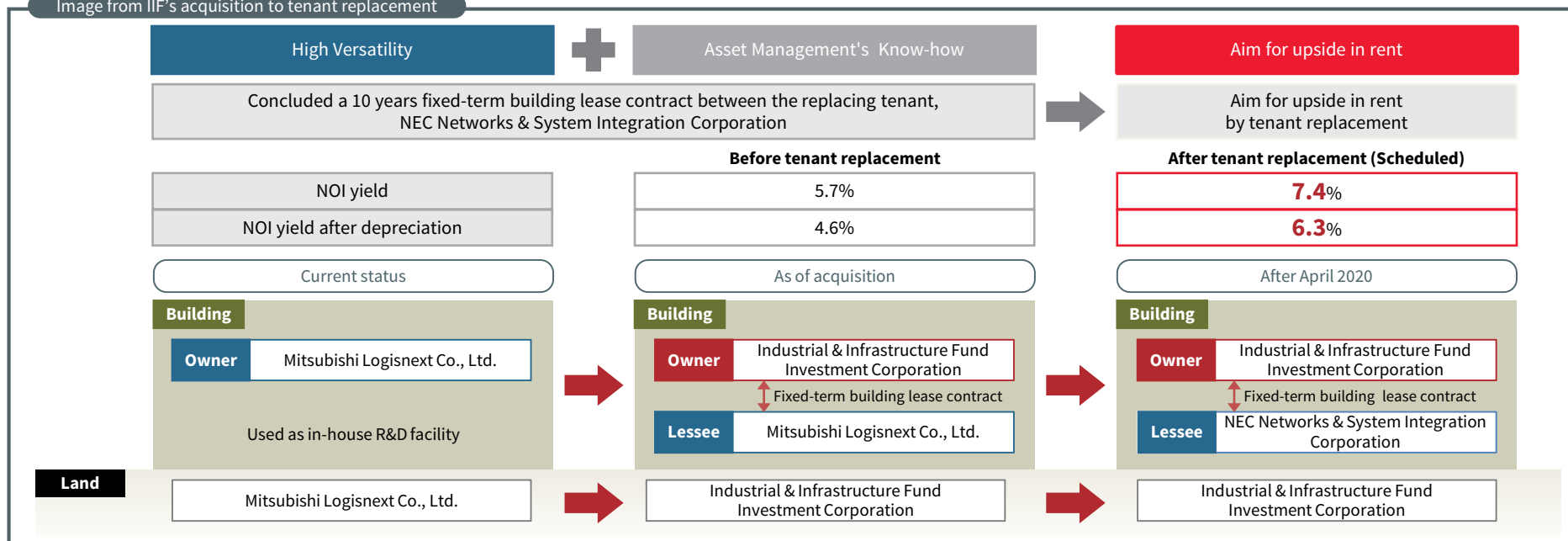
Extension potential within the site (Note)



- 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



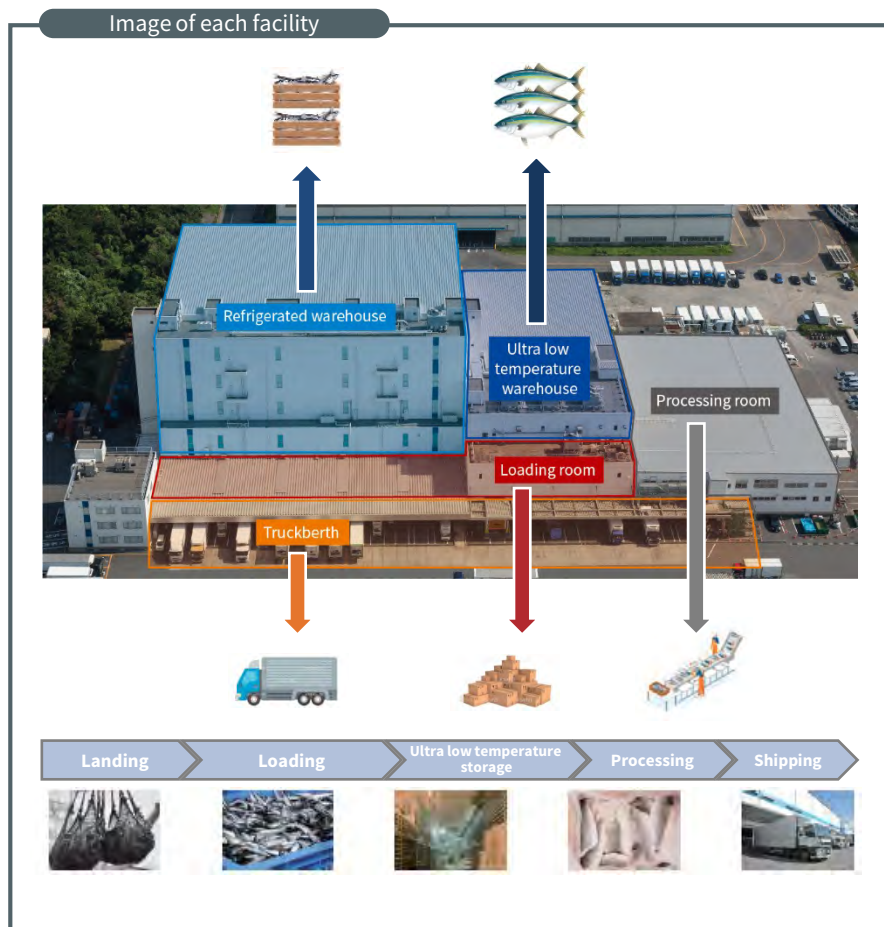
After renovation



## 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

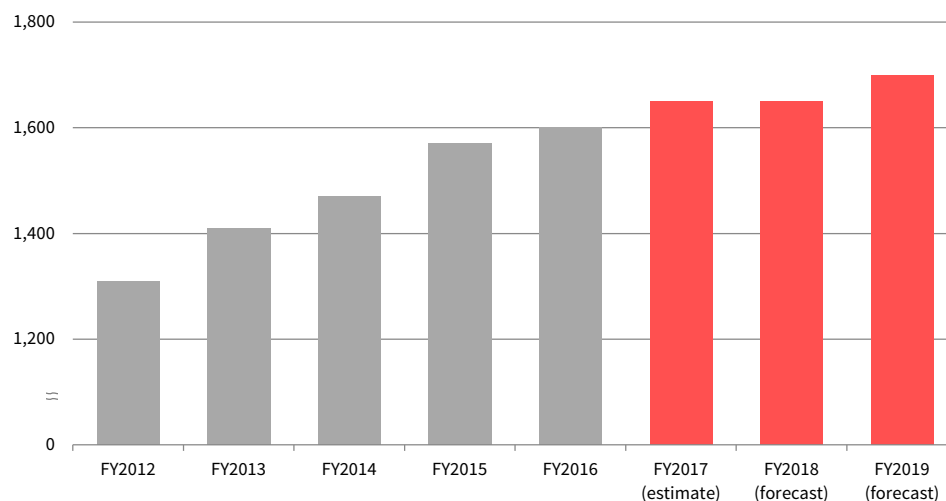
### Capable temperature zones

| -50℃        | -40℃ | -30℃     | -20℃ | -10℃           | -2℃ | 10℃ |              |        |
|-------------|------|----------|------|----------------|-----|-----|--------------|--------|
| 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

JPY bn.



Source : Yano Research Institute Ltd. "Cold chain market 2017"



# 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%                 |

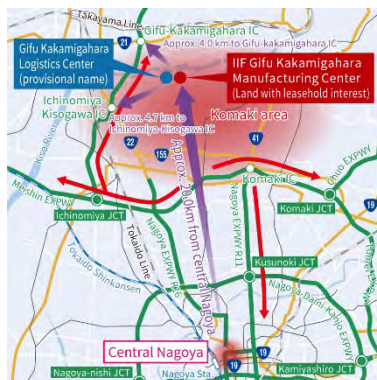
|  |  |
|--|--|
| Tenant                                       | IDEC Corporation                                   |
| Occupancy Rate                               | 100.0%   |
| Lease type                                   | Fixed-term leasehold for business purposes         |
| Lease term (Remaining 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               | 225million          |
| Appraisal Value                 | 264million          |
| Unrealized gain (Ratio) (Note1) | +39million (+17.3%) |
| NOI Yield                       | 5.4%                |
| NOI Yield after depreciation    | 5.4%                |

|  |  |
|--|--|
| 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 <sup>(Note 1)</sup> / Not allowed in general |

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

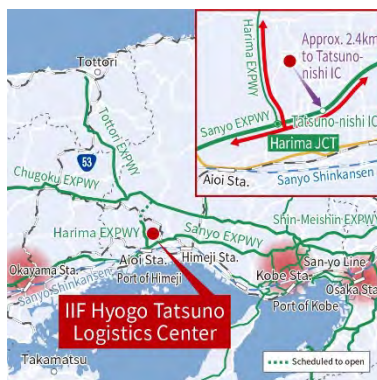
Gifu Kakamigahara Logistics Center (provisional name)



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



# 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

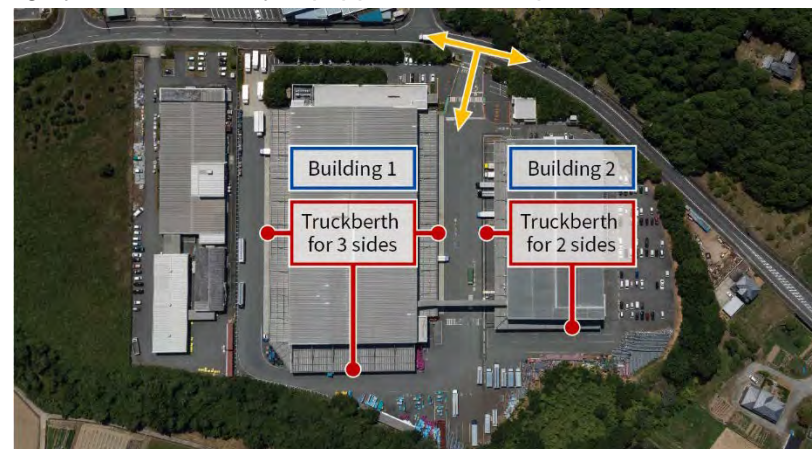
- High degree of continuity backed by a building lease agreement with a lease term of 10 years (non-cancellable period of 5 years)
- Core distribution facility of the tenant, covering extensive areas including Osaka, Chugoku and Shikoku areas

## 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                            | 3,915million                                     |
| Appraisal Value                              | 4,380million                                     |
| Unrealized gain (Ratio) (Note1)              | +465million (+11.9%)                             |
| NOI Yield                                    | 5.6%   |
| NOI Yield after depreciation                 | 4.7%   |
| 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.

## Versatility

- 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
- 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

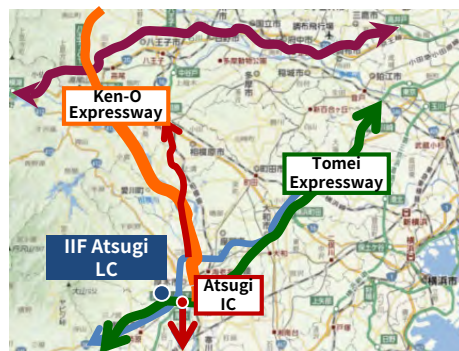
|  |  |
|--|--|
| Acquisition Price                            | 8,019million                                     |
| Appraisal Value                              | 8,520million                                     |
| Unrealized gain (Ratio) (Note1)              | +500million (+6.2%)                              |
| 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                     | JPY 2,100mn  |
| 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)                    | 5.2%<br>(Portfolio average : 5.8%)                       |
| NOI Yield after depreciation (Note 2) | 2.1%<br>(Portfolio average : 4.8%)                       |

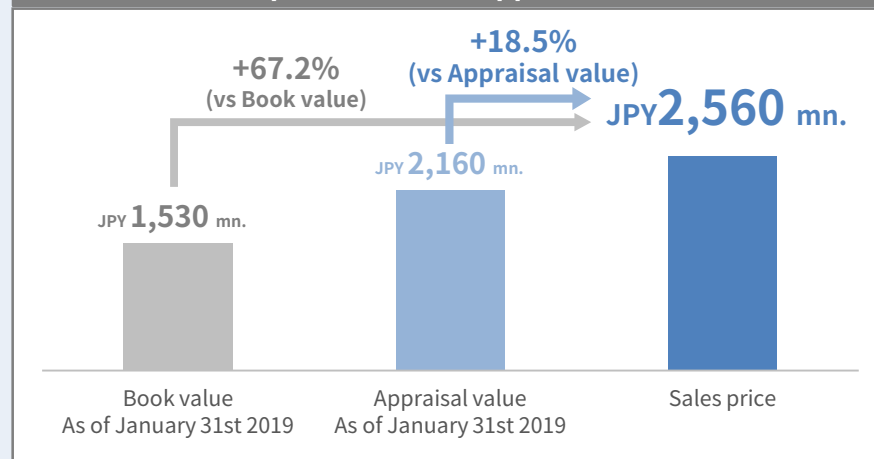
(Note 1) NOI Yield = NOI ÷ Acquisition price of the property

(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)



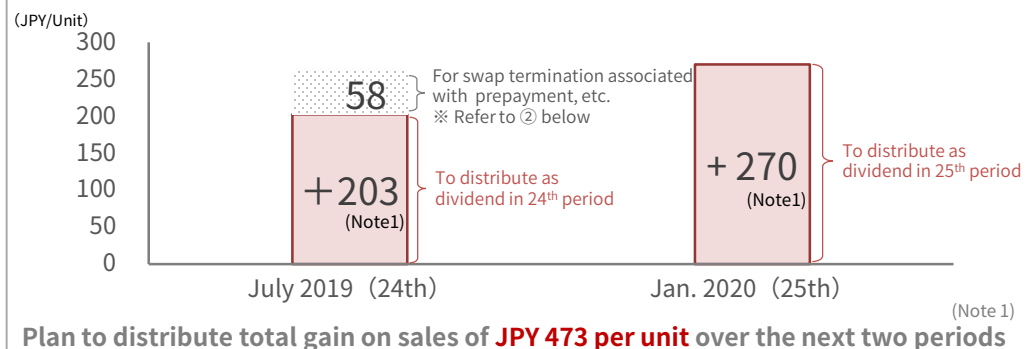
# IIF Atsugi Logistics Center : Plan to further improve profitability using gain on sales and disposition proceeds

## Initiatives using gain on sales and disposition proceeds

### Initiatives by gain on sales and disposition proceeds

#### ① Distribution of realized gain to unitholders

#### < To distribute gain on sales in 24<sup>th</sup> and 25<sup>th</sup> period >



#### 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</b><br>(+7.4years) | <b>0.42%</b><br>(▲0.91pt)        | <div>DPU increase</div> <div><b>+JPY 20</b></div> |

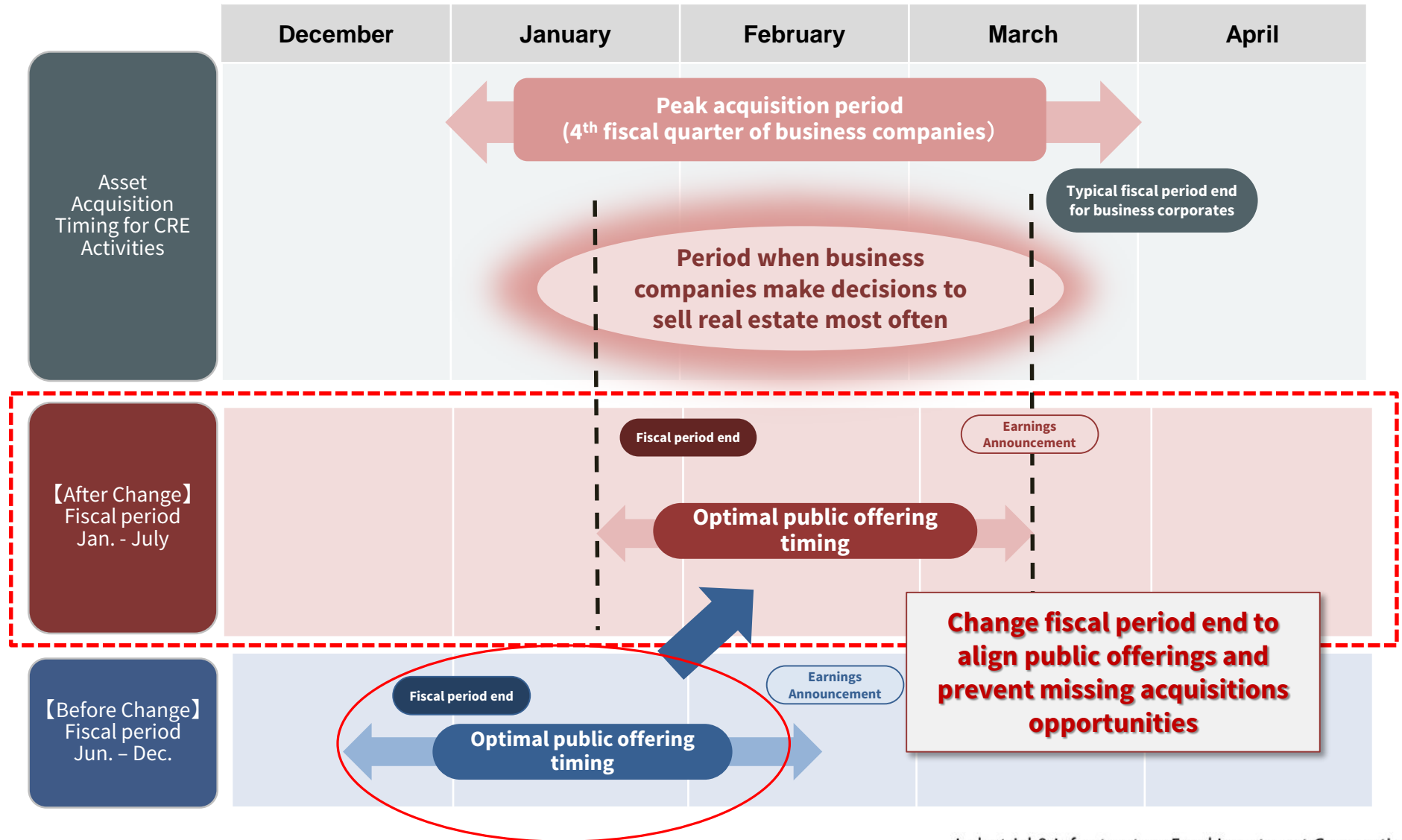
(Note 1) "Gain on sales" is the estimation based on the disposition price, the book value of the property to be disposed at scheduled delivery date, the estimated cost to be expensed in relation to the disposition (brokerage fee, etc.) and costs related the cancellation of swap interest rate agreement. 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

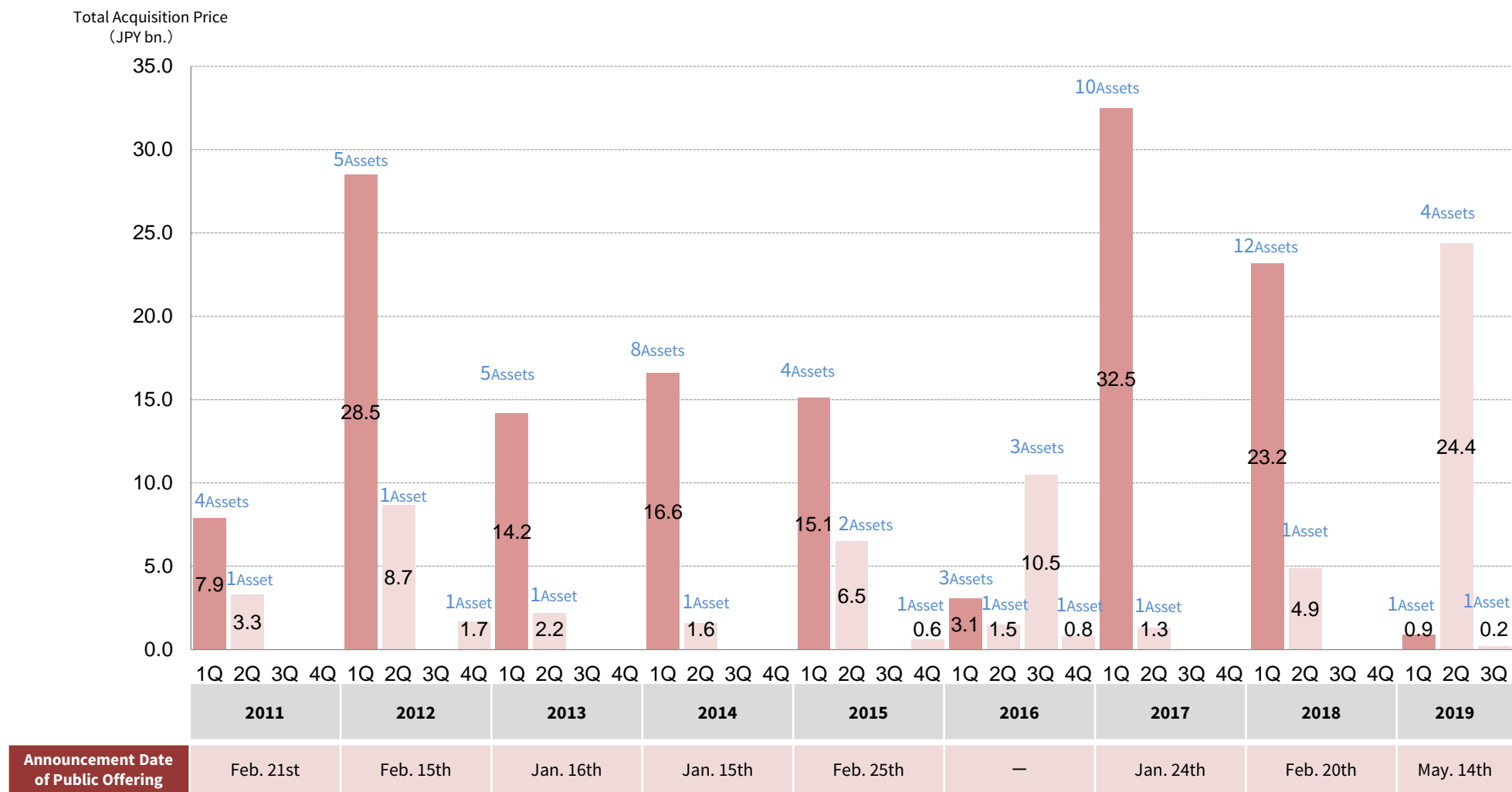




## Change of Fiscal Period (2)

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

### ■ Acquisition timing, price and number of property



(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

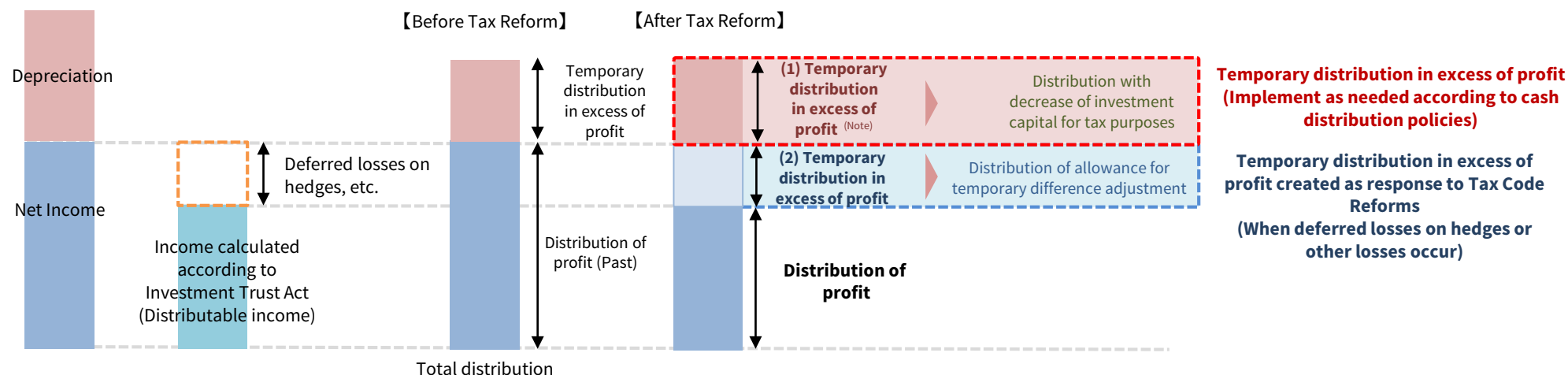
- ✓ When dilution or incurrence of considerable expense in connection with the acquisition of assets or issuance of new investment units is expected and the amount of distribution per unit is likely to temporarily decrease in a certain amount, IIF may distribute the amount of cash determined by IIF as 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.) | Percentage | Appraisal Value as of the End of Period (JPY mn.) (Note 3) | Percentage | Total Leasable Area (Note 4) | Percentage | Occupancy Rate (Note 5) | PML (Note 6) |
|----------------------------|--|--|-------------------------|----------------------------|-----------------------------|------------|--|------------|------------------------------|------------|-------------------------|--------------|
| L-1                        | IIF Shinonome Logistics Center (Note 7)                                  | Koto-ku, Tokyo   | Feb 2006                | 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<br>extension building                              | May 1997<br>May 2016    | 22.2 years<br>3.2 years    | 1,300                       | 0.4%       | 3,000  | 0.9%       | 10,608.00㎡                   | 0.7%       | 100.0%                  | 9.9%         |
|                            |  |  |                         |                            | 859                         | 0.3%       |  |            | 6,592.00㎡                    |            |                         |              |
|                            |  |  |                         |                            | —                           | —          |  |            | —                            |            |                         |              |
| 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)<br>(building with leasehold interest) | —                       | —                          | 3,350                       | 1.1%       | 6,360  | 1.8%       | 58,070.00㎡                   | 3.7%       | 100.0%                  | —            |
|                            |  |  |                         |                            | 1,200                       | 0.4%       |  |            | 25,835.16㎡                   |            |                         |              |
| 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%       | 39,267.74㎡                   | 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 Izumotsu e-shop Logistics Center (land with leasehold interest)      | Izumotsu-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<br>extension building                              | Mar 2008<br>Feb 2018    | 11.4 years<br>1.4 years    | 10,179                      | 3.4%       | 11,300   | 3.2%       | 51,385.32㎡                   | 3.2%       | 100.0%                  | 0.2%         |
|                            |  |  |                         |                            |                             |            |  |            |                              |            |                         |              |
| 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.) | Percentage | Appraisal Value as of the End of Period (JPY mn.) (Note 3) | Percentage | Total Leasable Area (Note 4) | Percentage | Occupancy Rate (Note 5) | PML (Note 6)           |
|--|---|-------------------------------|-------------------------|----------------------------|-----------------------------|------------|--|------------|------------------------------|------------|-------------------------|------------------------|
| 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%                  | —                      |
| Manufacturing and R&D Facilities Total |   |                               |                         | 21.8 years                 | 61,091                      | 20.5%      | 72,474   | 20.6%      | 380,289.65m <sup>2</sup>     | 24.0%      | 100.0%                  | —                      |
| 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%<br>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%                  | —                      |
| Infrastructure Facilities Total        |   |                               |                         | 27.5 years                 | 86,034                      | 28.8%      | 86,865   | 24.7%      | 233,928.25m <sup>2</sup>     | 14.8%      | 100.0%                  | —                      |
| Portfolio Total                        |   |                               |                         | 21.7 years                 | 298,224                     | 100.0%     | 351,339  | 100.0%     | 1,584,638.95m <sup>2</sup>   | 100.0%     | 100.0%                  | 2.8%                   |

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

(Note 2) "Age of building" refers to the age as of 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)                 | NEW 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>                                | NEW Mitsubishi Logisnext Co., Ltd.     | 1                                 | Fixed-Term Lease    | Not Disclosed                              | -                             | 2.0 years                     | 0.7 years                               |
| F-18            | IIF Ichikawa Food Processing Center   | NEW 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)       | NEW 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                              |
| Portfolio Total |   |  |                                   |                     |  | 100.0%                        | 15.3 years                    | 8.0 years                               |

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

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

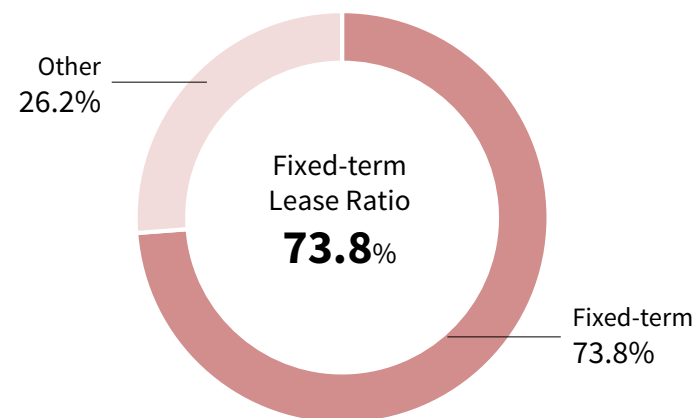
(Note10) While the fixed-term building lease contract with the current tenant, Mitsubishi LogisnextCo., Ltd., will be cancelled on Apr. 23, 2020, the new fixed-term building lease agreement is already concluded with the replacing tenant, NEC Networks & System Integration Corporation which will become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

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

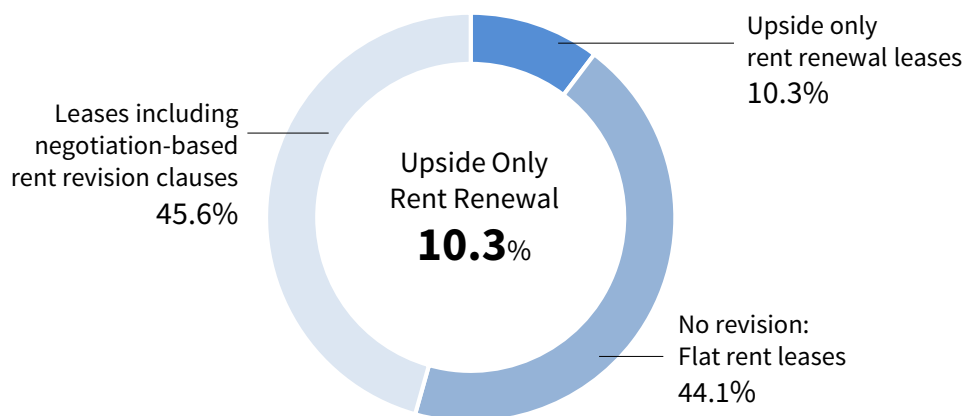
### Lease Term



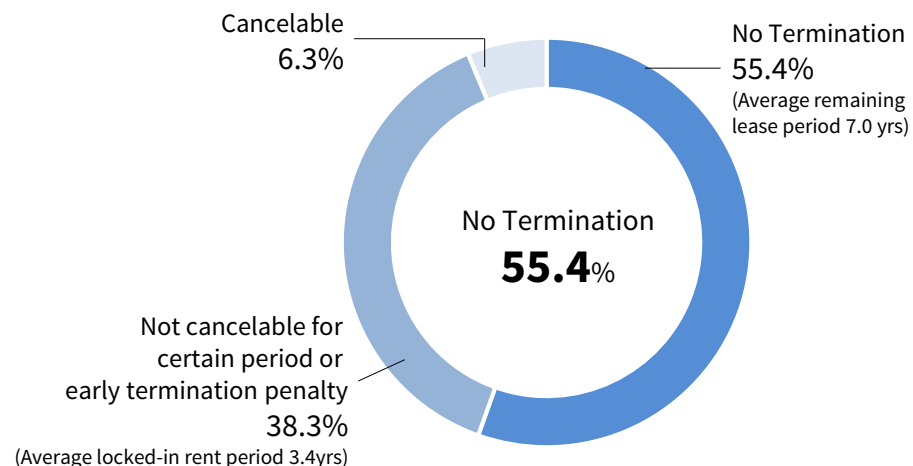
### Lease Type



### 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-rarlier Levels                               |                             |  |
|                 |  |                      |                         | Appraisal Value  | Period-Over-period | Period-Over-period (%) | Appraisal Value    | Capitalization Rate          | Discount Rate  | Terminal Capitalization Rate | Capitalization Rate by Direct Capitalization Method | Discount Rate by DCF Method | Terminal Capitalization Rate by DCF Method |
| L-1             | IIF Shinonome Logistics Center (Note 2)                                  | 12,856               | +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%<br>From 3rf to 5th 4.5%<br>After 6th 4.6% | 4.7%                         | 0.0p  | 3rd +0.1%<br>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%<br>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%<br>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-ratier 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-45                                   | IIF Kobe Nishi Logistics Center(land with leasehold interest)                  | 2,047                | + 182                   | 2,230  | +50                | + 2.3%                 | 2,180              | -                            | Until 14th 4.5%<br>After 15th 4.6% | 4.7%                         | -   | -                           | 0.0p                                       |
| L-46                                   | IIF Hyogo Tatsuno Logistics Center   | NEW                  | + 235                   | 4,380  | -                  | 0.0%                   | 4,380              | 5.0%                         | Until 4th 5.0%<br>After 5th 5.1%   | 5.2%                         | 0.0p  | -                           | 0.0p                                       |
| L-47                                   | IIF Akishima Logistics Center  | NEW                  | + 131                   | 8,520  | -                  | 0.0%                   | 8,520              | 4.2%                         | Until 4th 4.1%<br>After 5th 4.2%   | 4.4%                         | 0.0p  | -                           | 0.0p                                       |
| Logistics Facilities Total             |  | 150,462              | + 41,537                | 192,000  | +1,635             | + 0.9%                 | 190,365            |                              |                                    |                              |   |                             |  |
| 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 Sagamiara 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)                | NEW                  | + 365                   | 1,320  | -                  | 0.0%                   | 1,320              | -                            | 5.0%                               | -                            | -   | 0.0p                        | -  |
| F-17                                   | IIF Shin-Kawasaki R&D Center   | NEW                  | + 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  | NEW                  | (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)      | NEW                  | + 14                    | 264  | -                  | 0.0%                   | 264                | 4.5%                         | 4.3%                               | 4.7%                         | 0.0p  | 0.0p                        | 0.0p                                       |
| Manufacturing and R&D Facilities Total |  | 63,636               | + 8,837                 | 72,474   | +70                | + 0.1%                 | 72,404             |                              |                                    |                              |   |                             |  |
| 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                        | -  |
| Infrastructure Facilities Total        |  | 81,989               | + 4,875                 | 86,865   | (99)               | (0.1%)                 | 86,964             |                              |                                    |                              |   |                             |  |
| Portfolio Total                        |  | 296,087              | + 55,251                | 351,339  | +1,606             | + 0.5%                 | 349,733            |                              |                                    |                              |   |                             |  |

(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<br>(Shinonome) |                 | L4<br>(Noda)    |                 | L5<br>(Shinsuna) |                 | L6<br>(Atsugi)  |                 | L7<br>(Koshigaya) |                 | L8<br>(Nishinomiya) |                 | L9<br>(Narashino) |                 | L10<br>(Narashino II) |                 |
|---------------------------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-------------------|-----------------|---------------------|-----------------|-------------------|-----------------|-----------------------|-----------------|
|                                 | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days     | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days       | 24th<br>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<br>(Atsugi II) |                 | L12<br>(Yokohama Suzuki) |                 | L13<br>(Saitama) |                 | L14<br>(Nagoya) |                 | L15<br>(AtsugiIII) |                 | L16<br>(Kawaguchi) |                 | L17<br>(Kobe)   |                 | L18<br>(Higashi Osaka) |                 |
|---------------------------------|--------------------|-----------------|--------------------------|-----------------|------------------|-----------------|-----------------|-----------------|--------------------|-----------------|--------------------|-----------------|-----------------|-----------------|------------------------|-----------------|
|                                 | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days          | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days        | 24th<br>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<br>(Kashiwa) |                 | L20<br>(Misato) |                 | L21<br>(Iruma)  |                 | L22<br>(Tosu)   |                 | L23<br>(Inzai)  |                 | L24<br>(Morioka) |                 | L25<br>(Hiroshima) |                 | L26<br>(Izumiotu) |                 |
|---------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------------|-----------------|-------------------|-----------------|
|                                 | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days   | 24th<br>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<br>(Izumisano) |                 | L28<br>(Kyotanabe) |                 | L29<br>(Fukuoka Koga) |                 | L30<br>(Fukuoka Higashi) |                 | L31<br>(Osaka Konohana) |                 | L32<br>(Kazo)   |                 | L33<br>(Hamura) |                 | L34<br>(Fukuoka Hakozaiki I.) |                 |
|---------------------------------|--------------------|-----------------|--------------------|-----------------|-----------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|-----------------|
|                                 | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days       | 24th<br>181days | 23rd<br>184days          | 24th<br>181days | 23rd<br>184days         | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days               | 24th<br>181days |
| Days                            |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Rent                            |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Others                          |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Total rental business income    |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Taxes and public dues           |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Management expenses             |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Repair expenses                 |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Insurance cost and trust fee    |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Others                          |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| Total rental business expenses  |                    |                 |                    |                 |                       |                 |                          |                 |                         |                 |                 |                 |                 |                 |                               |                 |
| NOI                             | 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<br>(Fukuoka Hakozaiki II.) |                 | L36<br>(Itabashi) |                 | L37<br>(Sendai Taiwa) |                 | L38<br>(Ota)    |                 | L39<br>(Osaka Suminoe I.) |                 | L40<br>(Osaka Suminoe II.) |                 | L41<br>(Morioka II.) |                 | L42<br>(Sapporo) |                 |
|---------------------------------|--------------------------------|-----------------|-------------------|-----------------|-----------------------|-----------------|-----------------|-----------------|---------------------------|-----------------|----------------------------|-----------------|----------------------|-----------------|------------------|-----------------|
|                                 | 23rd<br>184days                | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days       | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days           | 24th<br>181days | 23rd<br>184days            | 24th<br>181days | 23rd<br>184days      | 24th<br>181days | 23rd<br>184days  | 24th<br>181days |
| Days                            |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Rent                            |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Others                          |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Total rental business income    |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Taxes and public dues           |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Management expenses             |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Repair expenses                 |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Insurance cost and trust fee    |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Others                          |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| Total rental business expenses  |                                |                 |                   |                 |                       |                 |                 |                 |                           |                 |                            |                 |                      |                 |                  |                 |
| NOI                             | 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<br>(Hitachinaka Port) |                 | L44<br>(Koriyama) |                 | L45<br>(Kobe-nishi) |                 | L46<br>(Hyogo Tatsuno) |                | L47<br>(Akishima) |                | F1<br>(Totsuka TC) |                 | F2<br>(Yokohama Tsuzuki) |                 | F3<br>(Mitaka)  |                 |
|---------------------------------|---------------------------|-----------------|-------------------|-----------------|---------------------|-----------------|------------------------|----------------|-------------------|----------------|--------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|                                 | 23rd<br>184days           | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days     | 24th<br>181days | 23rd<br>-days          | 24th<br>59days | 23rd<br>-days     | 24th<br>59days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days          | 24th<br>181days | 23rd<br>184days | 24th<br>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             |                           |                 |                   |                 |                     |                 | -                      |                | -                 |                | -                  | -               | 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<br>(Kamata)  |                 | F6<br>(Kawasaki) |                 | F7<br>(Sagamihara) |                 | F8<br>(Shinyamashita) |                 | F9<br>(Kakegawa) |                 | F10<br>(Urayasu) |                 | F11<br>(Yokosuka) |                 | F12<br>(Shonan) |                 |
|---------------------------------|-----------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|-----------------|------------------|-----------------|------------------|-----------------|-------------------|-----------------|-----------------|-----------------|
|                                 | 23rd<br>184days | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days       | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days  | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days | 24th<br>181days |
| 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<br>(Hiroshima) |                 | F14<br>(Totsuka MC) |                 | F15<br>(Atsugi) |                 | F15<br>(Tsukuba) |                 | F17<br>(Shin-Kawasaki) |                | F18<br>(Ichikawa) |                | F19<br>(Gifu Kakamigahara) |                | I1<br>(Kobe)    |                 |
|---------------------------------|--------------------|-----------------|---------------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------------|----------------|-------------------|----------------|----------------------------|----------------|-----------------|-----------------|
|                                 | 23rd<br>184days    | 24th<br>181days | 23rd<br>184days     | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>21days   | 24th<br>181days | 23rd<br>-days          | 24th<br>59days | 23rd<br>-days     | 24th<br>59days | 23rd<br>-days              | 24th<br>16days | 23rd<br>184days | 24th<br>181days |
| 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<br>(Haneda)  |                 | I3<br>(Zama)    |                 | I4<br>(Shinagawa) |                 | I5<br>(Osaka Toyonaka) |                 | I6<br>(Osaka Nanko) |                 | I7<br>(Nagoya Port) |                 | I8<br>(Shinagawa ITSC) |                 | I9<br>(Higashimatsuyama) |                 | 23rd<br>(Actual) | 24th<br>(Actual) |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|------------------|------------------|
|                                 | 23rd<br>184days | 24th<br>181days | 23rd<br>184days | 24th<br>181days | 23rd<br>184days   | 24th<br>181days | 23rd<br>184days        | 24th<br>181days | 23rd<br>184days     | 24th<br>181days | 23rd<br>184days     | 24th<br>181days | 23rd<br>184days        | 24th<br>181days | 23rd<br>184days          | 24th<br>181days |                  |                  |
| 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           |



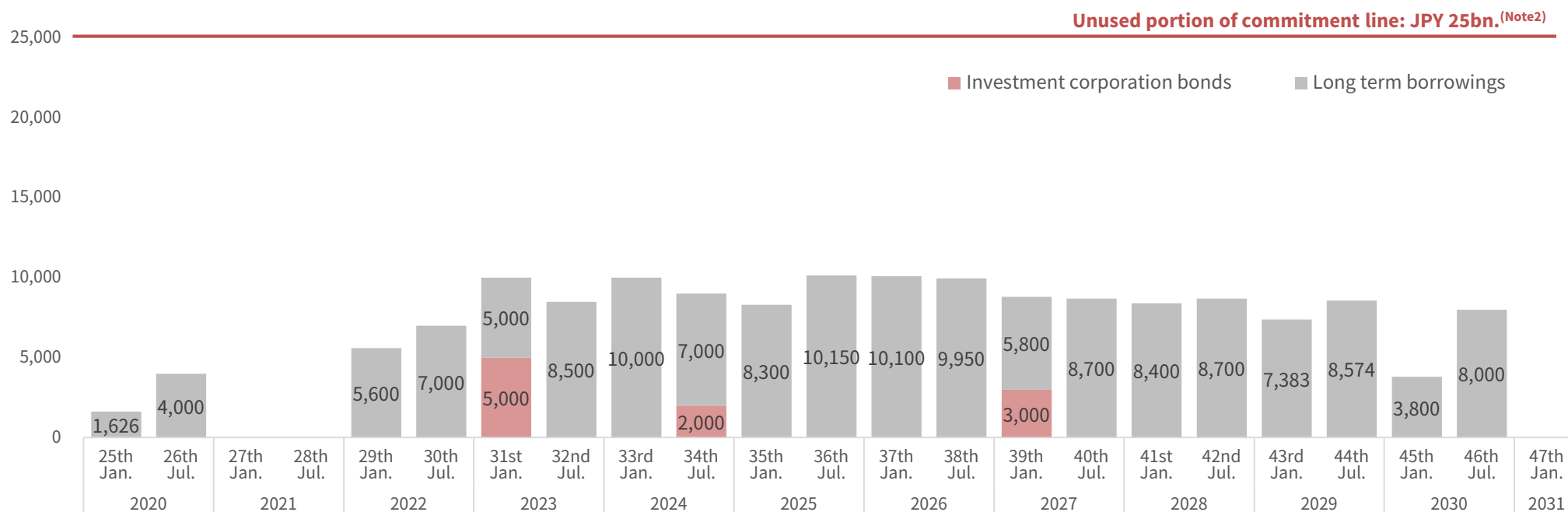
# Debt Stability (1) (As of July 31, 2019)

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

| Average borrowing period | Fixed debt ratio | Weighted average interest rate | Issuer credit rating (JCR) |
|--------------------------|------------------|--------------------------------|----------------------------|
| 9.3 years                | 100.0%           | 0.86%                          | AA<br>(Stable)             |

## 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

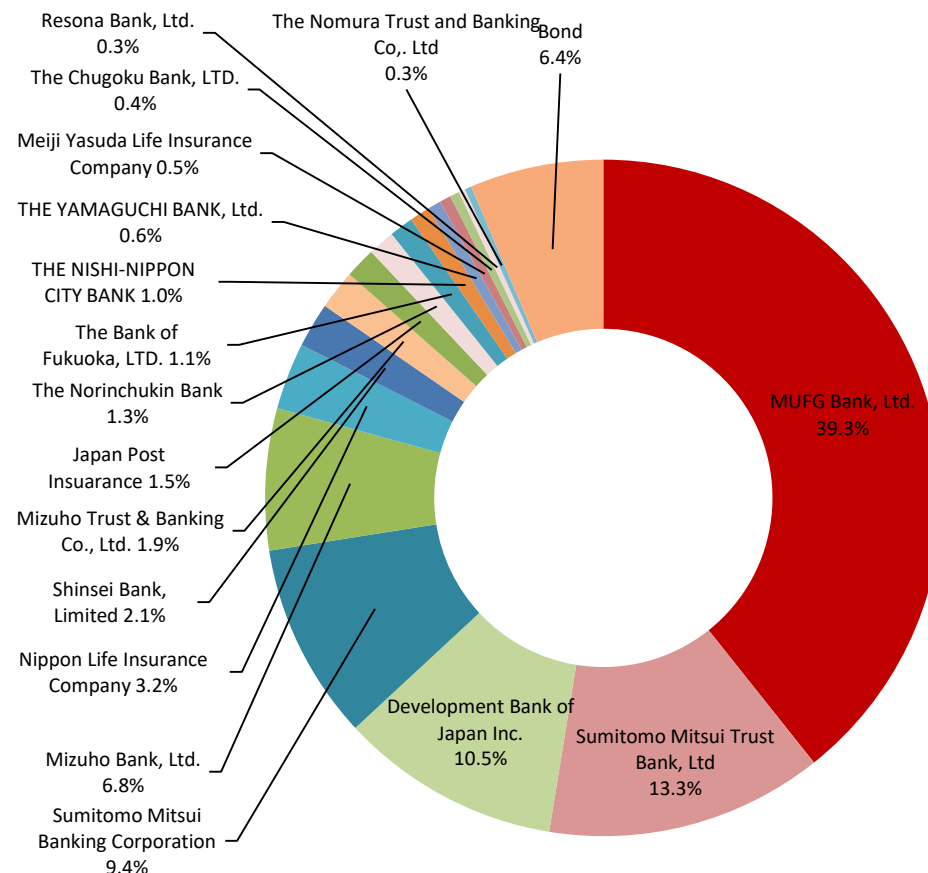
|                     | Classification                              | Outstanding Balance<br>(JPY mn.)(Note 1)(Note 2) |       | Date of<br>Borrowing | Interest Rate<br>(Note 3) (%) | Maturity date | Fixed/<br>Variable | Borrowing<br>term | Remaining<br>period<br>(Note 5) |
|---------------------|---|--|-------|----------------------|-------------------------------|---------------|--------------------|-------------------|---------------------------------|
|                     | Lender                                      | Breakdown  | 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 |                      | 1.15750                       | Sep. 30, 2019 | Fixed (Note 4)     | 7 years           | 0.2 years                       |
|                     | Development Bank of Japan Inc.              | 1,000  | 1,000 | Sep. 28, 2012        | 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 | Feb. 6, 2013         | 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                       |
|                     | Sumitomo Mitsui Trust Bank, Limited         | 138  | 500   |                      | 1.22750                       | Feb. 4, 2022  | Fixed (Note 4)     | 9 years           | 2.5 years                       |
|                     | Sumitomo Mitsui Banking Corporation         | 500  | 500   | Jun. 28, 2013        | 1.75000                       | Jun. 28, 2024 | Fixed              | 11 years          | 4.9 years                       |
|                     | Nippon Life Insurance Company               | 2,000  | 2,000 |                      | 1.68475                       | Jun. 30, 2023 | Fixed (Note 4)     | 10 years          | 3.9 years                       |
|                     | Sumitomo Mitsui Trust Bank, Limited         | 2,500  | 2,500 |                      | 1.64650                       | Jun. 30, 2022 | Fixed (Note 4)     | 9 years           | 2.9 years                       |
|                     | Mizuho Bank, Ltd.                           | 1,500  | 1,500 |                      | 1.24050                       | Jun. 30, 2020 | Fixed (Note 4)     | 7 years           | 0.9 years                       |
|                     | The Nomura Trust and Banking Co., Ltd.      | 500  |       | Oct. 18, 2013        | 1.40200                       | Oct. 18, 2023 | Fixed (Note 4)     | 10 years          | 4.2 years                       |
|                     | Resona Bank, Limited                        | 500  | 1,500 |                      | 1.38025                       | Dec. 29, 2023 | Fixed (Note 4)     | 10 years          | 4.4 years                       |
|                     | THE YAMAGUCHI BANK, Ltd.                    | 500  |       |                      | 1.31000                       | Aug. 6, 2024  | Fixed              | 10.5 years        | 5.0 years                       |
|                     | MUFG Bank, Ltd.                             | 7,500  | 7,500 |                      | 1.24100                       | Feb. 6, 2024  | Fixed (Note 4)     | 10 years          | 4.5 years                       |
|                     | Sumitomo Mitsui Banking Corporation         | 2,000  | 2,000 | Dec. 30, 2013        | 1.14000                       | Aug. 4, 2023  | Fixed              | 9.5 years         | 4.0 years                       |
|                     | MUFG Bank, Ltd.                             | 700  | 700   |                      | 1.03150                       | Aug. 5, 2022  | Fixed (Note 4)     | 8.5 years         | 3.0 years                       |
|                     | Sumitomo Mitsui Banking Corporation         | 900  | 900   |                      | 0.92790                       | Feb. 4, 2022  | Fixed (Note 4)     | 8 years           | 2.5 years                       |
|                     | THE YAMAGUCHI BANK, Ltd.                    | 500  | 500   |                      | 1.67000                       | Mar. 13, 2026 | Fixed              | 12 years          | 6.6 years                       |
|                     | THE NISHI-NIPPON CHITIBANK, LTD.            | 500  | 500   | Feb. 6, 2014         | 1.68675                       | Mar. 13, 2026 | Fixed (Note 4)     | 12 years          | 6.6 years                       |
|                     | MUFG Bank, Ltd.                             | 868  |       |                      | 1.27175                       | Mar. 13, 2024 | Fixed (Note 4)     | 10 years          | 4.6 years                       |
|                     | Sumitomo Mitsui Trust Bank, Limited         | 331  | 1,200 |                      | 0.98000                       | Mar. 14, 2025 | Fixed              | 10 years          | 5.6 years                       |
|                     | Development Bank of Japan Inc.              | 1,000  | 1,000 |                      | 1.01740                       | Mar. 14, 2025 | Fixed (Note 4)     | 10 years          | 5.6 years                       |
|                     | MUFG Bank, Ltd.                             | 724  | 1,000 | Mar. 13, 2014        | 0.92990                       | Sep. 13, 2024 | Fixed (Note 4)     | 9.5 years         | 5.1 years                       |
|                     | Sumitomo Mitsui Trust Bank, Limited         | 276  |       |                      | 0.66090                       | Sep. 15, 2022 | Fixed (Note 4)     | 7.5 years         | 3.1 years                       |
|                     | MUFG Bank, Ltd.                             | 1,158  | 1,600 |                      |                               |               |                    |                   |                                 |
|                     | Sumitomo Mitsui Trust Bank, Limited         | 441  |       |                      |                               |               |                    |                   |                                 |
|                     | MUFG Bank, Ltd.                             | 1,350  | 1,350 | Mar. 16, 2015        |                               |               |                    |                   |                                 |
|                     | 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<br>(JPY mn.)(Note 1)(Note 2) |               | Date of<br>Borrowing | Interest Rate<br>(Note 3) (%) | Maturity date  | Fixed/<br>Variable | Borrowing<br>term | Remaining<br>period<br>(Note 5) |
|--------------------------------|-------------------------------------|-----------|--|---------------|----------------------|-------------------------------|----------------|--------------------|-------------------|---------------------------------|
|                                | Lender                              | Breakdown | 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  | Feb. 17, 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     |  | Mar. 6, 2017  | 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  | Mar. 17, 2017 | 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         |                                 |
|                                | Development Bank of Japan Inc.      | 1,000     | 1,000  |               | 0.68000              | Mar. 17, 2027                 | Fixed          | 10 years           | 7.6 years         |                                 |
|                                | Mizuho Bank, Ltd.                   | 1,000     | 1,000  | Mar. 17, 2017 | 0.50500              | Mar. 17, 2025                 | Fixed          | 8 years            | 5.6 years         |                                 |
|                                | THE NISHI-NIPPON CHITIBANK, LTD.    | 1,000     | 1,000  |               | 0.57171              | Sep. 30, 2025                 | Fixed          | 8.5 years          | 6.2 years         |                                 |
|                                | Mizuho Trust & Banking Co., Ltd.    | 1,000     | 1,000  |               | 0.65500              | Mar. 31, 2027                 | Fixed          | 10 years           | 7.7 years         |                                 |
|                                | The Bank of Fukuoka, LTD.           | 1,000     | 1,000  |               | 0.48500              | Mar. 31, 2025                 | Fixed          | 8 years            | 5.7 years         |                                 |
|                                | The Norinchukin Bank                | 1,000     | 1,000  | Mar. 31, 2017 | 0.65500              | Mar. 31, 2027                 | Fixed          | 10 years           | 7.7 years         |                                 |
|                                | MUFG Bank, Ltd.                     | 4,054     | 5,600  |               | 0.83800              | Mar. 30, 2029                 | Fixed          | 12 years           | 9.7 years         |                                 |
|                                | Sumitomo Mitsui Trust Bank, Limited | 1,545     |  |               | 0.63500              | Mar. 31, 2027                 | Fixed          | 10 years           | 7.7 years         |                                 |
|                                | MUFG Bank, Ltd.                     | 1,000     | 1,000  |               | 0.34451              | Sep. 30, 2022                 | Fixed          | 5 years            | 3.2 years         |                                 |
|                                | Sumitomo Mitsui Banking Corporation | 600       | 600  | Sep. 29, 2017 | 0.67599              | Sep. 30, 2027                 | Fixed          | 10 years           | 8.2 years         |                                 |
|                                | Shinsei Bank, Limited               | 1,000     | 1,000  |               | 0.86109              | Sep. 30, 2029                 | Fixed          | 12 years           | 10.2 years        |                                 |
|                                | Development Bank of Japan Inc.      | 1,300     | 1,300  |               | 0.48077              | Aug. 1, 2024                  | Fixed          | 6.5 years          | 5.0 years         |                                 |
|                                | Mizuho Bank, Ltd.                   | 1,200     | 1,200  |               | 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.                     | 2,938     | 4,000  |               | 0.85000              | Feb. 28, 2030                 | Fixed          | 12 years           | 10.6 years        |                                 |
|                                | Sumitomo Mitsui Trust Bank, Limited | 1,062     |  |               |                      |                               |                |                    |                   |                                 |
|                                | MUFG Bank, Ltd.                     | 2,791     | 3,800  | Feb. 27, 2017 |                      |                               |                |                    |                   |                                 |
|                                | Sumitomo Mitsui Trust Bank, Limited | 1,009     |  |               |                      |                               |                |                    |                   |                                 |
|                                | MUFG Bank, Ltd.                     | 2,099     | 2,900  |               |                      |                               |                |                    |                   |                                 |
|                                | Sumitomo Mitsui Trust Bank, Limited | 800       |  |               |                      |                               |                |                    |                   |                                 |
|                                | JAPAN POST INSURANCE Co., Ltd.      | 2,300     | 2,400  |               |                      |                               |                |                    |                   |                                 |
|                                | 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<br>(JPY mn.)(Note 1)(Note 2) |         | Date of<br>Borrowing | Interest Rate<br>(Note 3) (%) | Maturity date | Fixed/<br>Variable | Borrowing<br>term | Remaining<br>period<br>(Note 5) |
|---------------------|--|--|---------|----------------------|-------------------------------|---------------|--------------------|-------------------|---------------------------------|
|                     | Lender   | 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                  | 276  |         |                      | 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 Banking Corporation                  | 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   |                      | 0.20504                       | 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   | Jun. 28, 2019        | 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 Trust Bank, Limited                  | 800  | 800     | Jun. 26, 2014        | 0.56100                       | May. 31, 2030 | Fixed              | 11 years          | 10.8 years                      |
|                     | Sumitomo Mitsui Banking Corporation                  | 800  | 800     |                      | 0.40800                       | May. 31, 2028 | Fixed              | 9 years           | 8.8 years                       |
|                     | Sumitomo Mitsui Banking Corporation                  | 800  | 800     |                      | 0.46900                       | May. 31, 2029 | Fixed              | 10 years          | 9.8 years                       |
|                     | Development Bank of Japan Inc.                       | 1,600  | 1,600   |                      | 0.56100                       | May. 31, 2030 | Fixed              | 11 years          | 10.8 years                      |
|                     | Mizuho Bank, Ltd.                                    | 1,000  | 1,000   | Dec. 26, 2016        | 0.34400                       | Aug. 2, 2027  | Fixed              | 8.2 years         | 8.0 years                       |
|                     | Mizuho Bank, Ltd.                                    | 1,000  | 1,000   |                      | 0.46900                       | May. 31, 2029 | Fixed              | 10 years          | 9.8 years                       |
|                     | Nippon Life Insurance Company                        | 1,500  | 1,500   |                      | 0.46000                       | Nov. 30, 2028 | Fixed              | 9.4 years         | 9.3 years                       |
|                     | The Norinchukin Bank                                 | 1,000  | 1,000   |                      |                               |               |                    |                   |                                 |
|                     | Shinsei Bank, Limited                                | 1,000  | 1,000   |                      |                               |               |                    |                   |                                 |
|                     | MUFG Bank, Ltd.                                      | 583  | 583     |                      |                               |               |                    |                   |                                 |
|                     | 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.

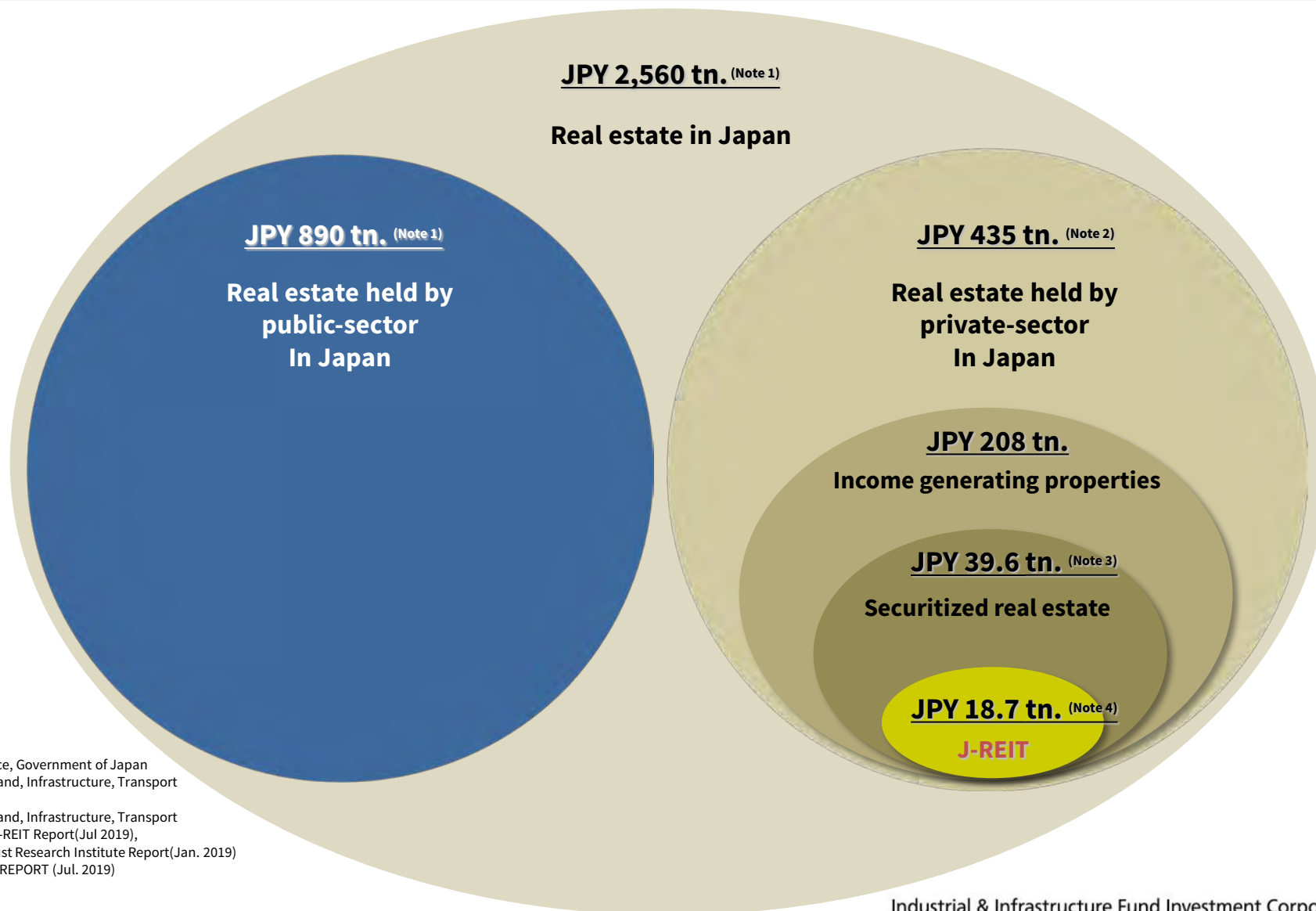
(Note 5) The remaining term for the existing borrowing is calculated with the base date as of Jan. 31, 2019. The average is calculated by weighting the remaining term of each borrowing according to the borrowing amount. The same shall apply hereinafter.

(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

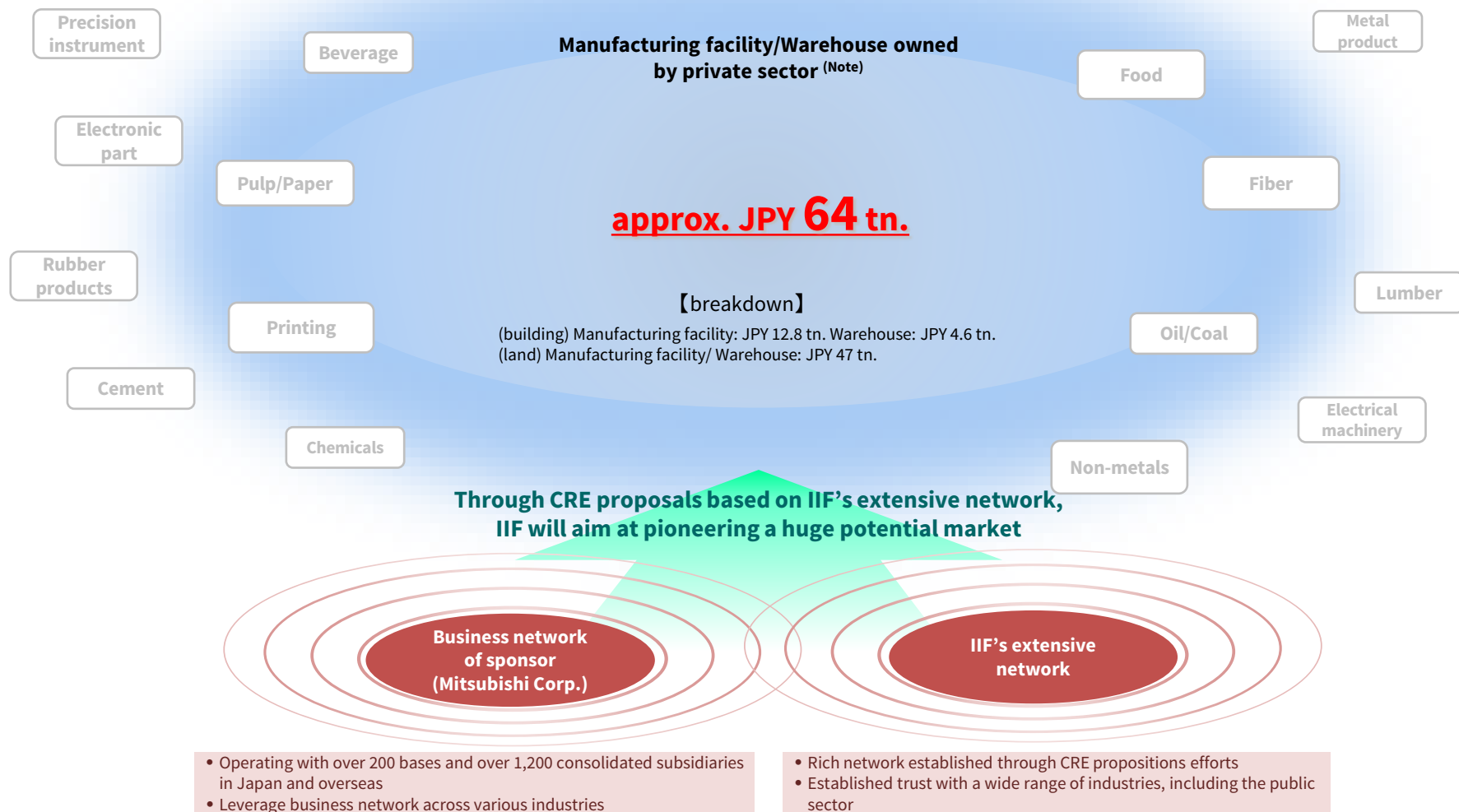
(Note3) Source: Ministry of Land, Infrastructure, Transport and Tourism, ARES J-REIT Report(Jul 2019), Sumitomo Mitsui Trust Research Institute Report(Jan. 2019)

(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

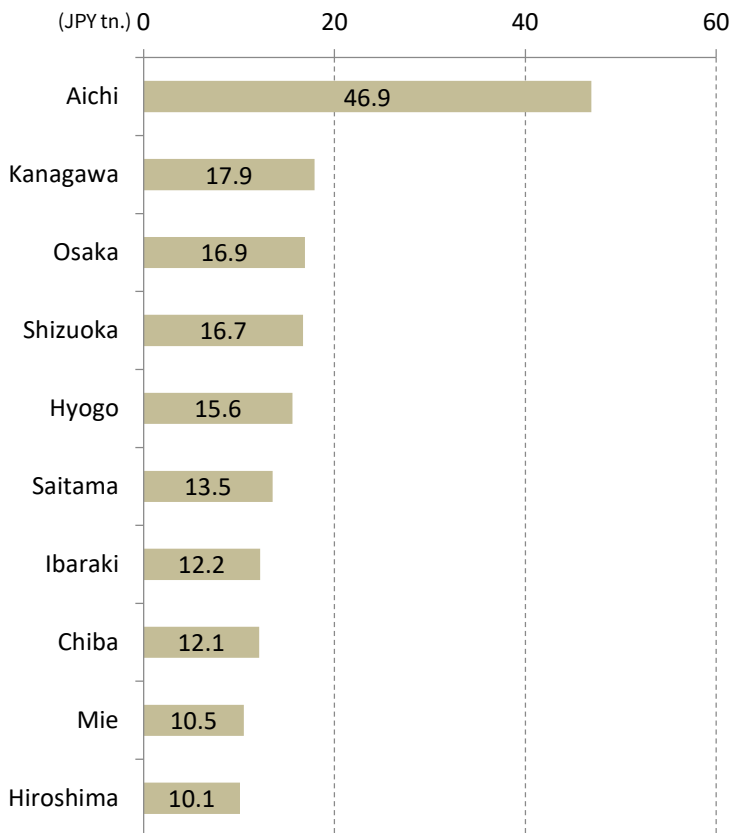


(Note) Source : Ministry of Land, Infrastructure, Transport and Tourism

# 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

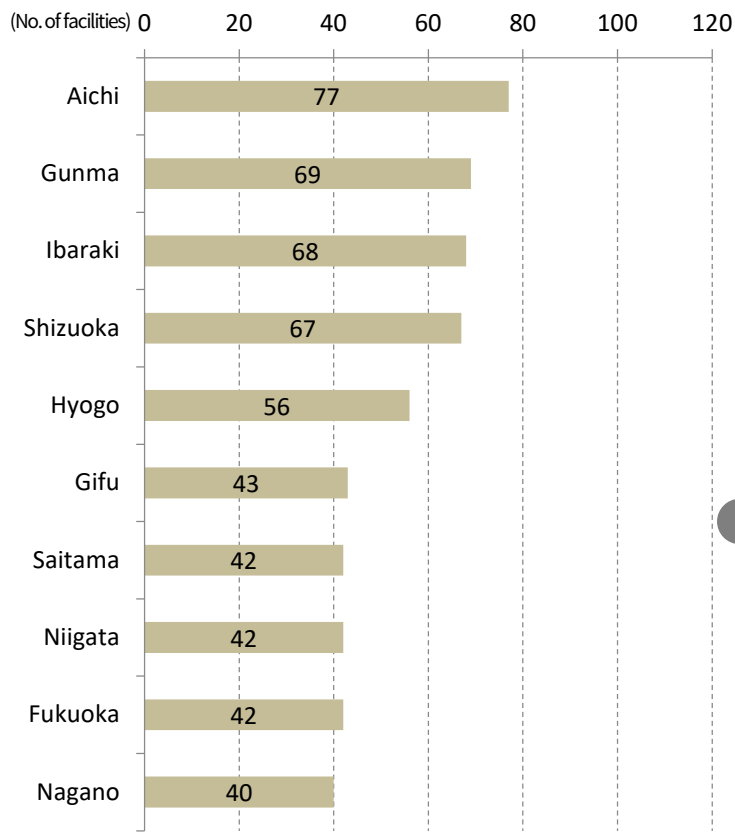


(Source) Ministry of Economy, Trade and Industry, "Census of Manufacture", 2018

(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)"











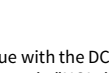




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# IIF's Main Manufacturing and R&D Facilities

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

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

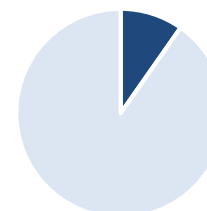
■ Mainly acquire land and property for all asset type but also invest in land with leasehold interest in accordance with versatility of property

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

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

### 《Asset》

**Sustainability**  
(Stability: Long-term Contract)

**Versatility**  
(Location / Building)

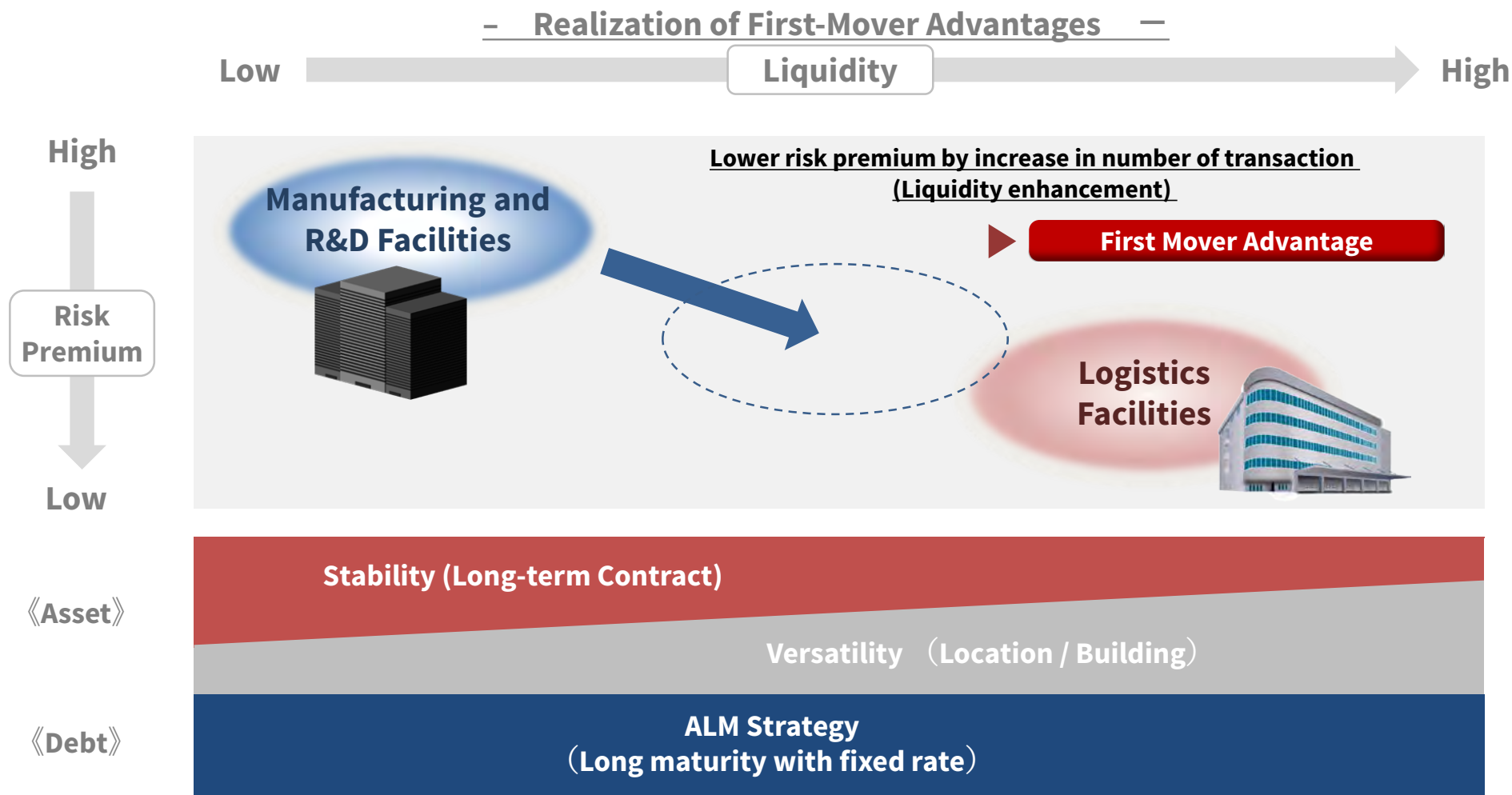
### 《Debt》

**ALM Strategy**  
(Long maturity with fixed rate)

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

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

※Image of risk measures until risk premium is lowered





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## Potential for CRE (1)

### Initiatives to improve capital efficiency

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

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

#### “GPIF”

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

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

Index change brings discipline

#### “JPX400”

#### Launch of JPX Nikkei Index 400

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

Investor communications seeking to improve capital efficiency

#### “Stewardship Code”

#### Formulation of Japan Stewardship Code

Japanese institutional investors have accepted the new Stewardship Code which has as its core tenet the improvement of corporate value and efficiency through increased dialogue between institutional investors and Japanese companies (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.

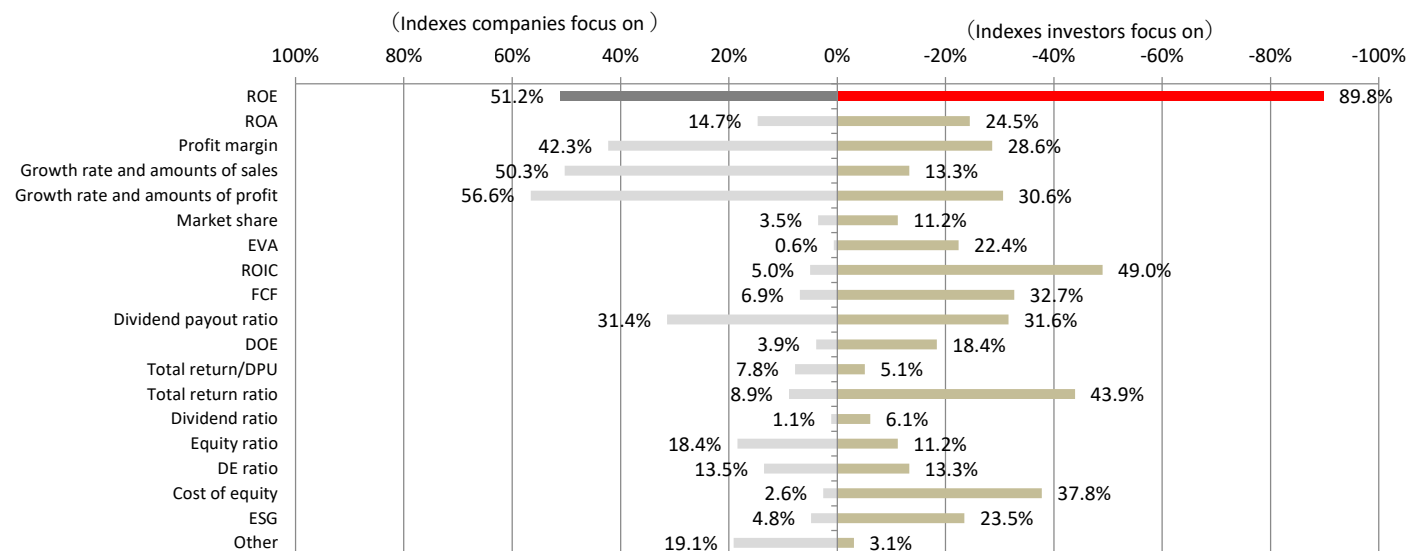
(Note 2) Corporate Governance Code refers to the policy established by Tokyo Stock Exchange and was implemented in June 2015 as a guide to basic corporate governance practice for the listed companies.

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

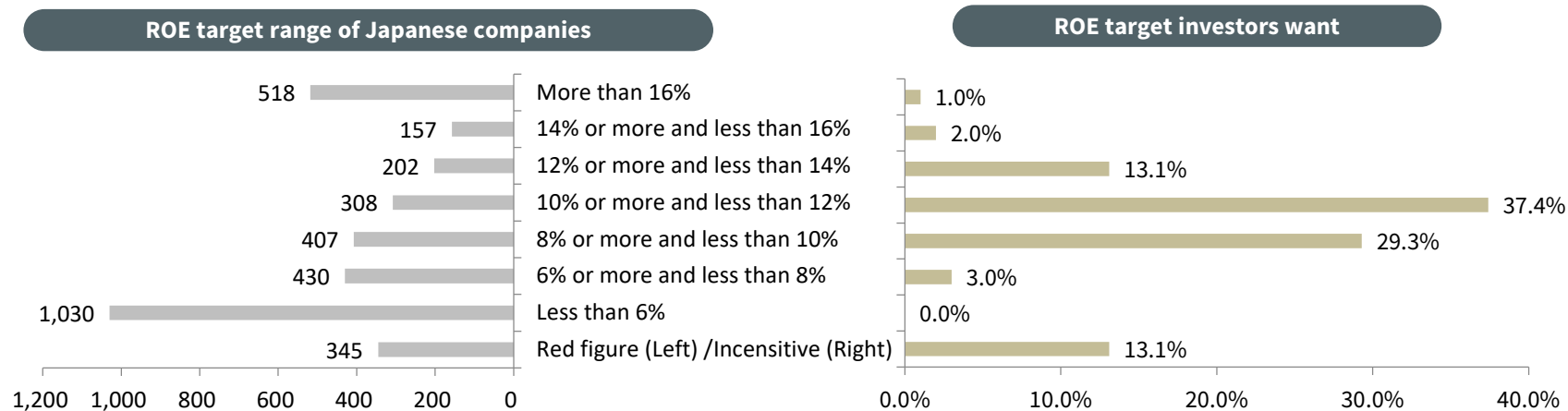
## Potential for CRE (2)

### 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

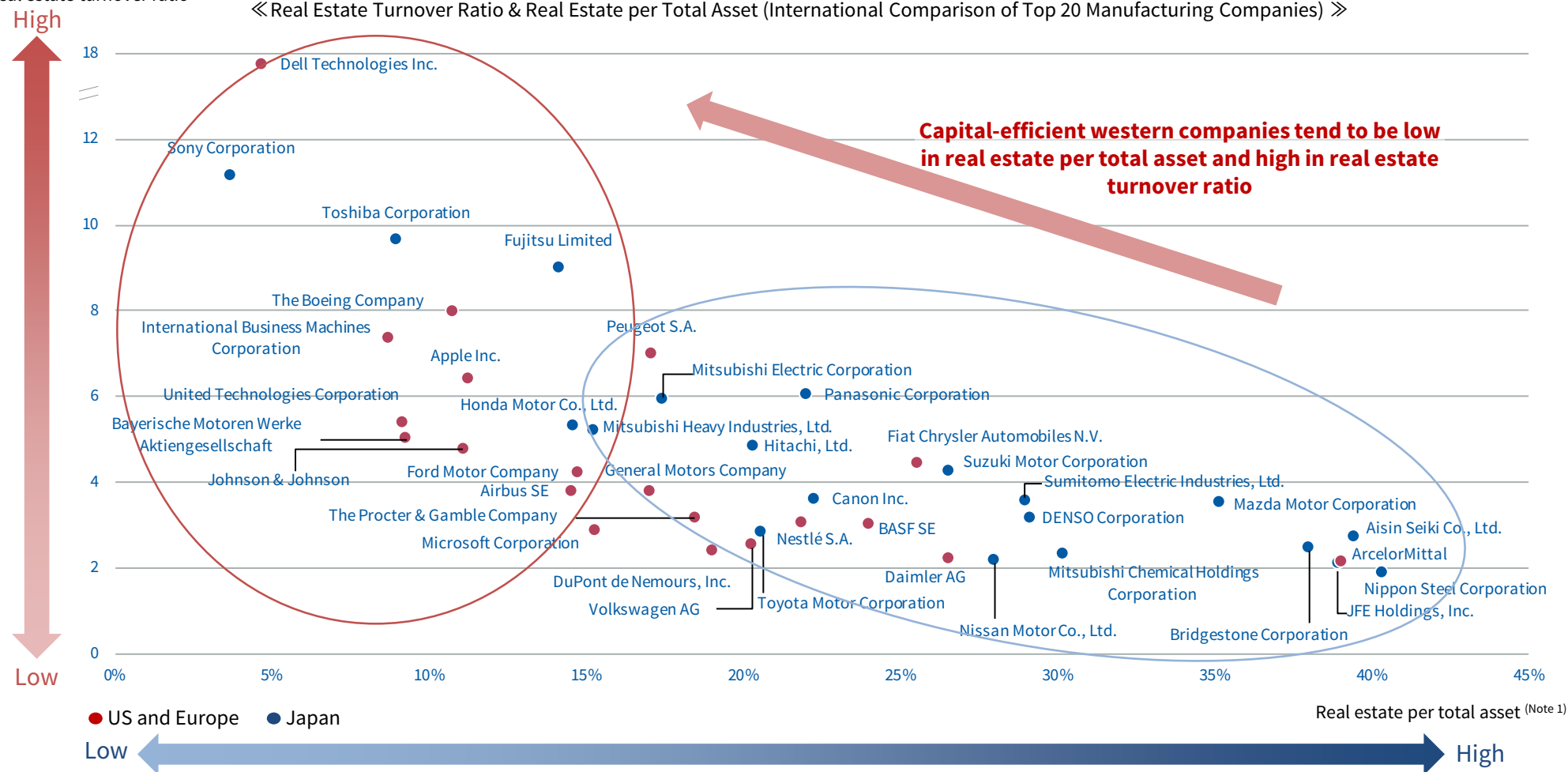
## Potential for CRE (3)

### 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)»



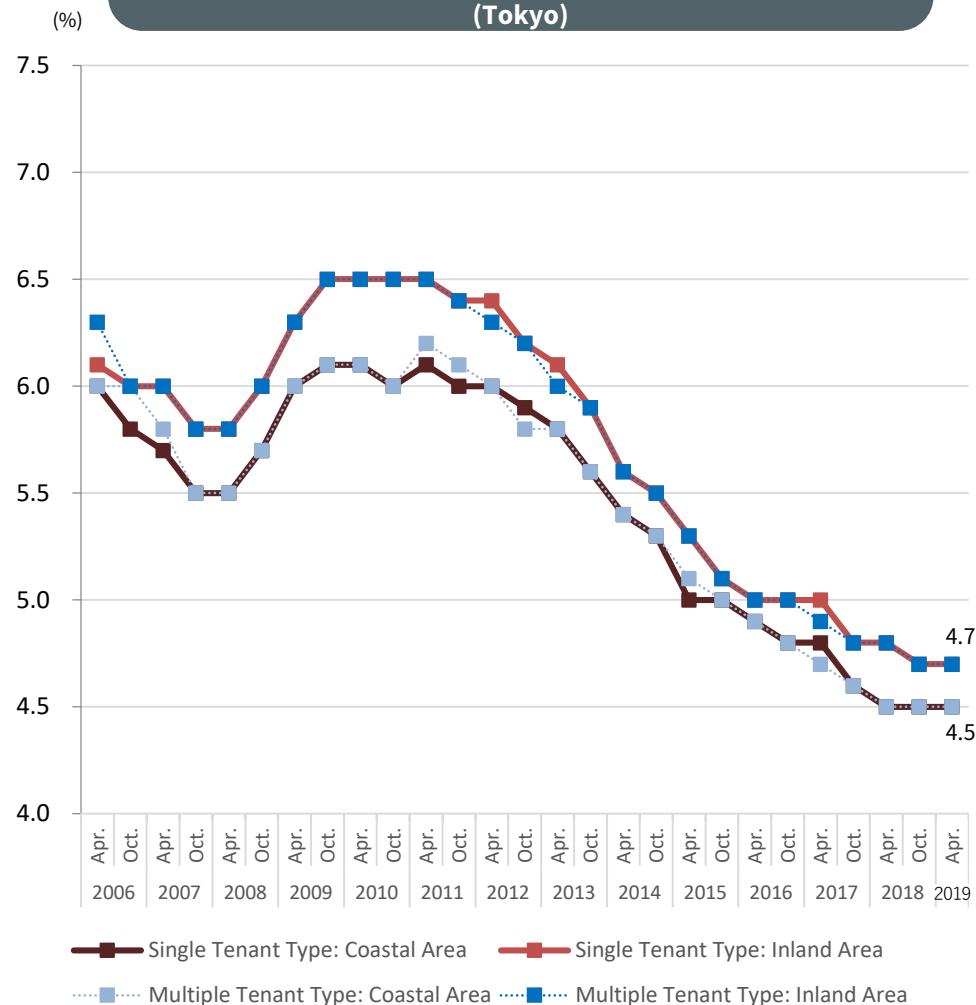
(Source) Prepared by the Asset Manager based on Capital IQ

(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**

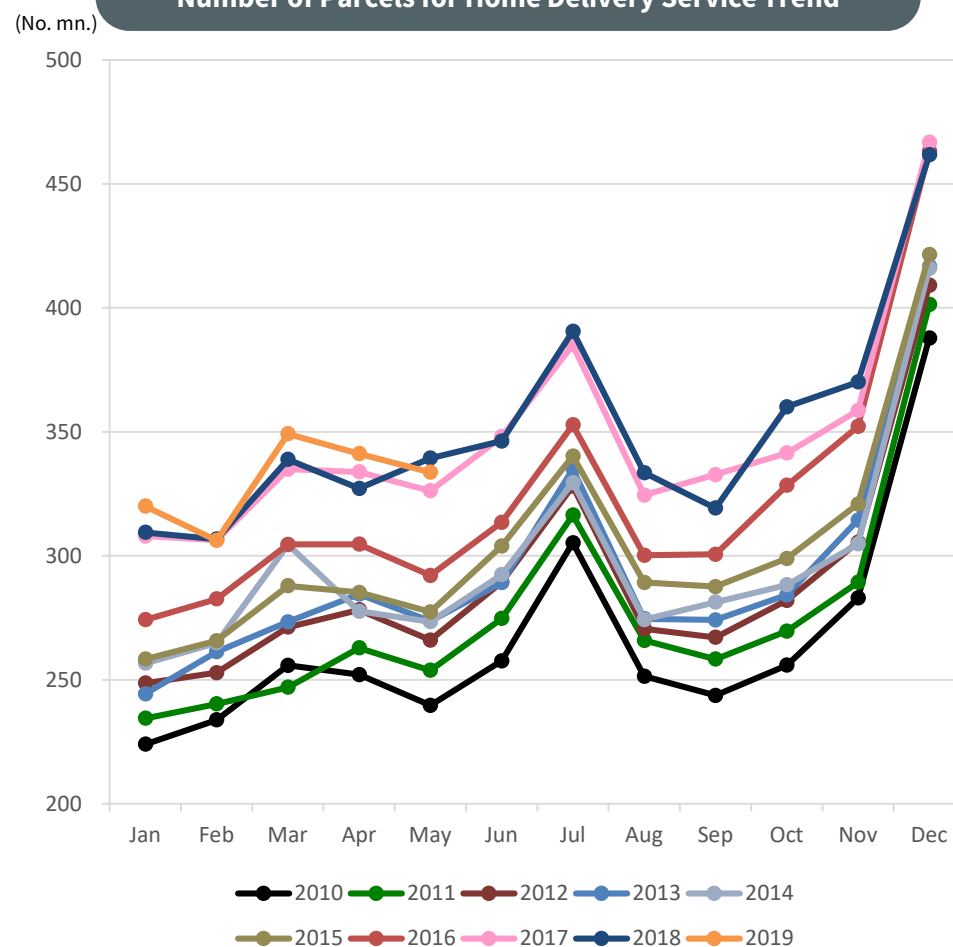
**Expected Cap Rate of Logistics Properties and Warehouses (Tokyo)**



(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**



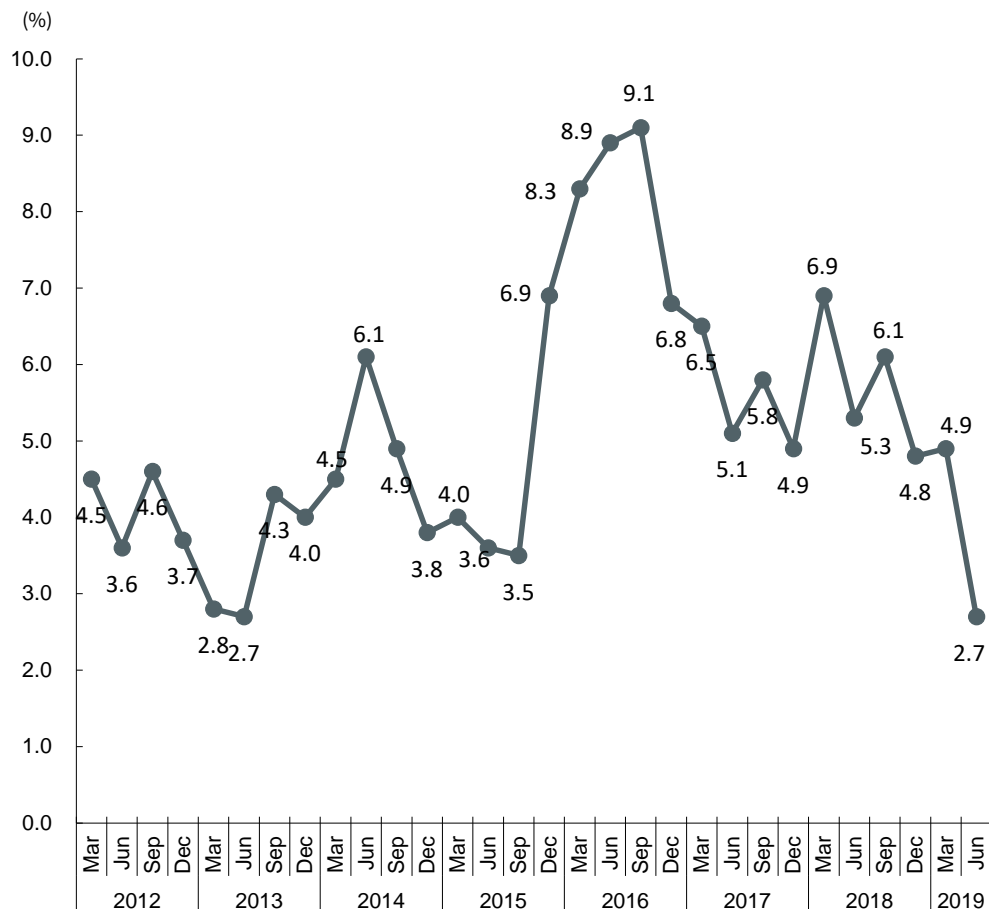
(Source) Ministry of Land, Infrastructure, Transport and Tourism



## 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**

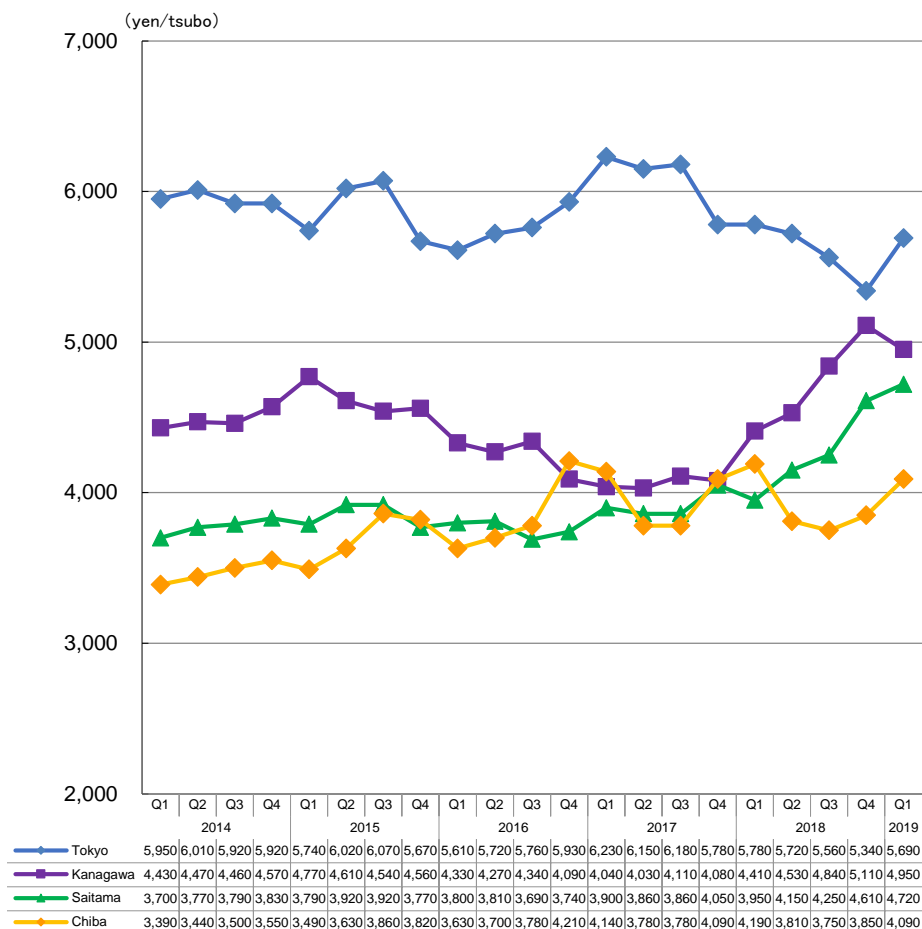


\*Vacancy rate covers 148 multi-type facilities with floor area of 10,000 tsubo and more in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama)

(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)



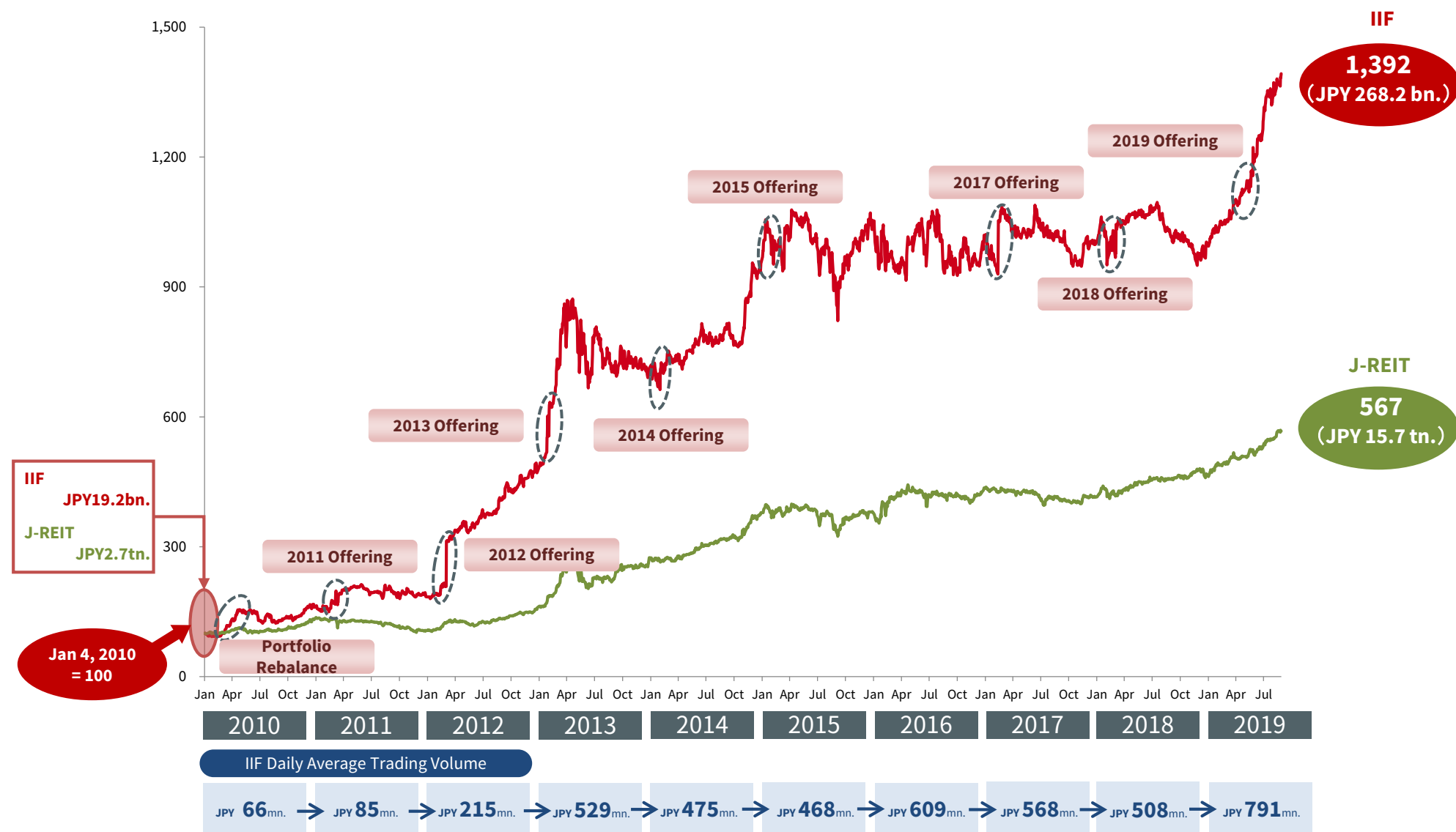
(Source) Bloomberg

(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)



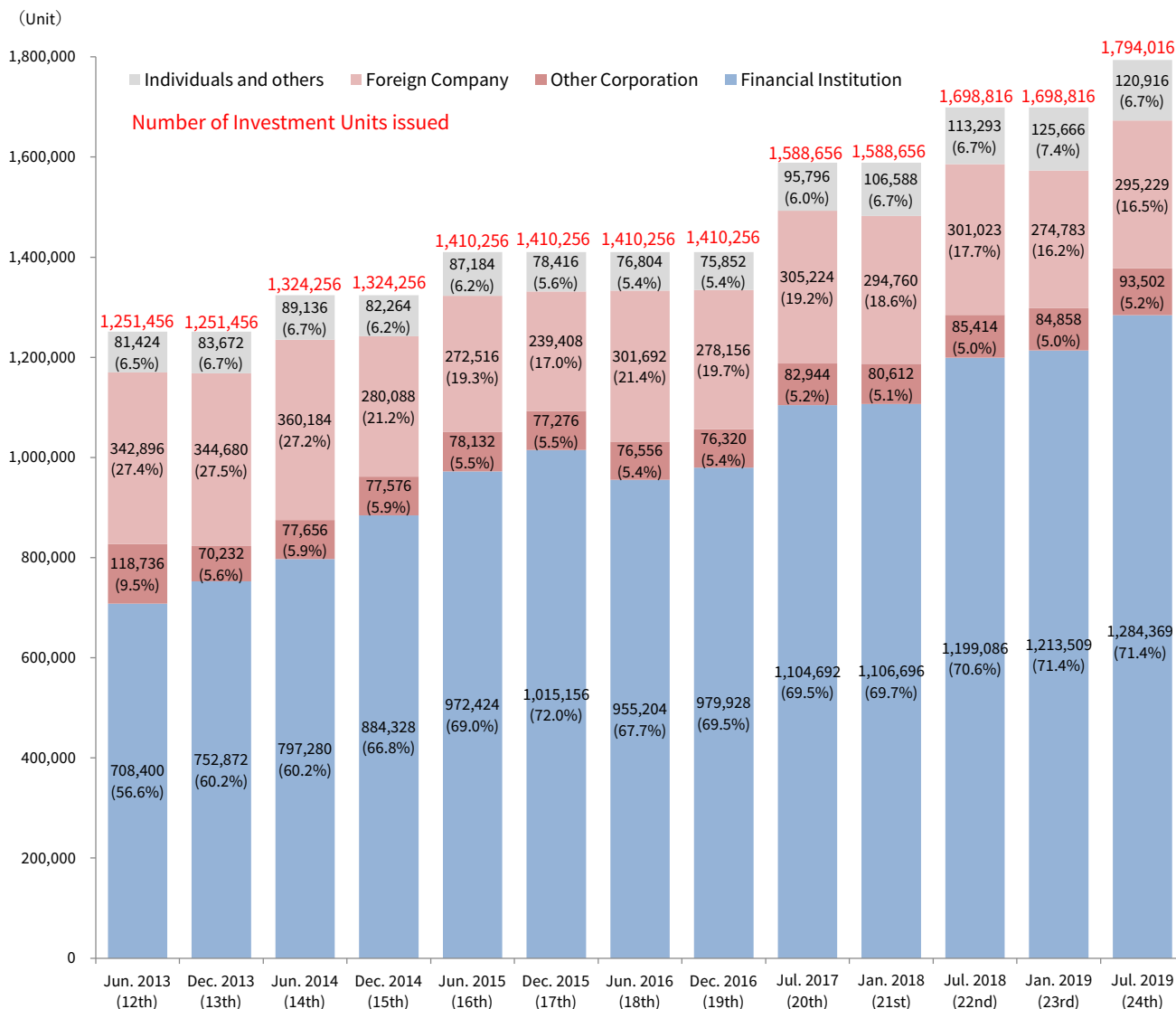
(Source) Bloomberg  
(Note 1) Based on closing prices  
(Note 2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

# 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

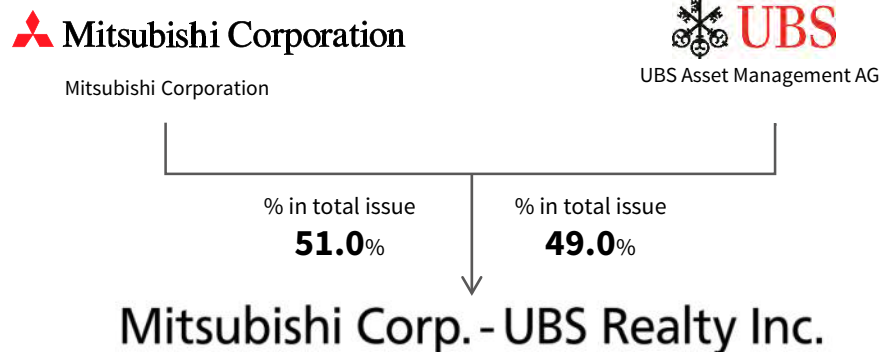


(Note) Effective as of January 1, 2015, IIF made a two-for-one split of its units, and effective as of February 1, 2018, IIF made a four-for-one split of its units. The information in the charts retroactively reflects the unit splits and the figures are truncated to the relevant digit.



# 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)

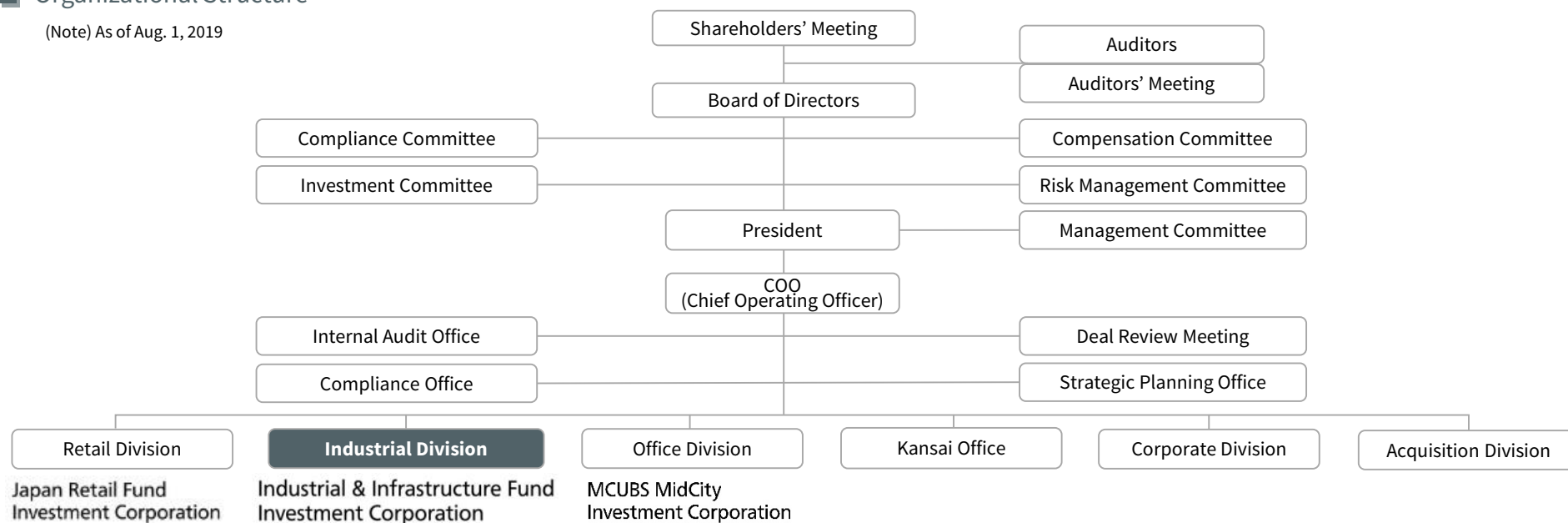
## Number of Licensed Persons Out of the Above

|  |    |
|--|----|
| • 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)