

Think bold today for a brighter tomorrow.



# Investor Presentation for the Jan. 2020 (25th) Period ~Appendix~

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3249



# Our Portfolio (As of July 15, 2020)

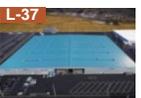
## Greater Tokyo Area<sup>(Note1)</sup> 39 properties

Logistics: 19 properties, Manufacturing/R&D: 15 properties, Infrastructure: 5 properties

<b>L-1</b>  IIF Shinonome Logistics Center	<b>L-4</b>  IIF Noda Logistics Center	<b>L-5</b>  IIF Shinuna Logistics Center	<b>L-7</b>  IIF Koshigaya Logistics Center	<b>L-9</b>  IIF Narashino Logistics Center <i>(land with leasehold interest)</i>	<b>L-10</b>  IIF Narashino Logistics Center II	<b>L-11</b>  IIF Atsugi Logistics Center II	<b>L-12</b>  IIF Yokohama Tsuzuki Logistics Center	<b>L-13</b>  IIF Saitama Logistics Center	<b>L-15</b>  IIF Atsugi Logistics Center III	<b>L-16</b>  IIF Kawaguchi Logistics Center	<b>L-19</b>  IIF Kashiwa Logistics Center	<b>L-20</b>  IIF Misato Logistics Center
<b>L-21</b>  IIF Iruma Logistics Center	<b>L-23</b>  IIF Inzai Logistics Center	<b>L-32</b>  IIF Kazo Logistics Center	<b>L-33</b>  IIF Hamura Logistics Center	<b>L-36</b>  IIF Itabashi Logistics Center	<b>L-47</b>  IIF Akishima Logistics Center	<b>F-1</b>  IIF Totsuka Technology Center <i>(land with leasehold interest)</i>	<b>F-2</b>  IIF Yokohama Tsuzuki Technology Center	<b>F-3</b>  IIF Mitaka Card Center	<b>F-5</b>  IIF Kamata R&D Center	<b>F-6</b>  IIF Kawasaki Science Center	<b>F-7</b>  IIF Sagamiyama R&D Center	<b>F-8</b>  IIF Yokohama Shinyamashita R&D Center
<b>F-10</b>  IIF Urayasu Machinery Maintenance Center <i>(land with leasehold interest)</i>	<b>F-11</b>  IIF Yokosuka Technology Center	<b>F-12</b>  IIF Shonan Technology Center	<b>F-14</b>  IIF Totsuka Manufacturing Center <i>(land with leasehold interest)</i>	<b>F-15</b> <b>NEW Building</b>  IIF Atsugi Manufacturing Center	<b>F-17</b>  IIF Shin-Kawasaki R&D Center	<b>F-18</b>  IIF Ichikawa Food Process Center	<b>F-20</b> <b>NEW</b>  IIF Yokohama Tsuzuki R&D Center	<b>I-2</b>  IIF Haneda Airport Maintenance Center	<b>I-3</b>  IIF Zama IT Solution Center	<b>I-4</b>  IIF Shinagawa Data Center	<b>I-8</b>  IIF Shinagawa IT Solution Center	<b>I-9</b>  IIF Higashimatsuyama Gas Tank Maintenance Center <i>(land with leasehold interest)</i>

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

Logistics: 11 properties, Infrastructure: 3 properties

<b>L-8</b>  IIF Nishinomiya Logistics Center	<b>L-17</b>  IIF Kobe Logistics Center	<b>L-18</b>  IIF Higashi-Osaka Logistics Center	<b>L-26</b>  IIF Izumitsu e-shop Logistics Center <i>(land with leasehold interest)</i>	<b>L-27</b>  IIF Izumisano Food Processing and Logistics Center	<b>L-28</b>  IIF Kyotanabe Logistics Center	<b>L-31</b>  IIF Osaka Konohana Logistics Center	<b>L-22</b>  IIF Tosu Logistics Center	<b>L-24</b>  IIF Morioka Logistics Center	<b>L-25</b>  IIF Hiroshima Logistics Center	<b>L-29</b>  IIF Fukuoka Koga Vehicle Logistics Center <i>(land with leasehold interest)</i>	<b>L-30</b>  IIF Fukuoka Higashi Logistics Center	<b>L-34</b>  IIF Fukuoka Hakozaki Logistics Center I
<b>L-39</b>  IIF Osaka Suminoe Logistics Center I	<b>L-40</b>  IIF Osaka Suminoe Logistics Center II	<b>L-45</b>  IIF Kobe Nishi Logistics Center <i>(land with leasehold interest)</i>	<b>L-46</b>  IIF Hyogo Tatsuno Logistics Center	<b>I-1</b>  IIF Kobe District Heating and Cooling Center	<b>I-5</b>  IIF Osaka Toyonaka Data Center	<b>I-6</b>  IIF Osaka Nanko IT Solution Center	<b>L-35</b>  IIF Fukuoka Hakozaki Logistics Center II	<b>L-37</b>  IIF Sendai Taiwa Logistics Center	<b>L-38</b>  IIF Ota Logistics Center	<b>L-41</b>  IIF Morioka Logistics Center II	<b>L-42</b>  IIF Sapporo Logistics Center	<b>L-43</b>  IIF Hitachinaka Port Logistics Center <i>(land with leasehold interest)</i>

## Other Area<sup>(Note4)</sup> 17 properties

Logistics: 14 properties, Manufacturing/R&D: 3 properties

<b>L-44</b>  IIF Koriyama Logistics Center	<b>L-49</b> <b>NEW</b>  IIF Hiroshima Seifushinto Logistics Center	<b>F-9</b>  IIF Kakegawa Manufacturing Center <i>(land with leasehold interest)</i>	<b>F-13</b>  IIF Hiroshima Manufacturing Center <i>(land with leasehold interest)</i>	<b>F-16</b>  IIF Tsukuba Manufacturing Center <i>(land with leasehold interest)</i>
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## Greater Nagoya Area<sup>(Note3)</sup> 5 properties

Logistics: 2 properties, Manufacturing/R&D: 2 properties, Infrastructure: 1 property

<b>L-14</b>  IIF Nagoya Logistics Center	<b>L-48</b> <b>NEW</b>  IIF Gifu Kakamigahara Logistics Center	<b>F-19</b>  IIF Gifu Kakamigahara Manufacturing Center <i>(land with leasehold interest)</i>	<b>F-21</b> <b>NEW</b>  IIF Okazaki Manufacturing Center <i>(land with leasehold interest)</i>	<b>I-7</b>  IIF Nagoya Port Tank Terminal <i>(land with leasehold interest)</i>
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(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 Atsugi Manufacturing Center (building)



## Key Points

- **Development project based on the identified needs of Ichikoh Industries, Ltd., a major automotive-parts manufacturer, to set up a new manufacturing plant on an off-balance basis**
- **Benefits from increased value due to ownership of entire building and land by acquiring the building portion of the first “off-balance sheet development project of a manufacturing plant” by IIF using the IIF’s accumulated know-how**

### Long-term Usability

- The new factory of Ichikoh Industries, a 116 year-old manufacturer of automotive parts, serves as the base plant for automotive head lamps, the company’s main product
- The tenant is now transferring production from its existing Isehara manufacturing plant to this property in a phased manner
- High degree of continuity backed by a fixed-term building lease contract of 10.0 years (non-cancellable)

### Versatility

- Situated within an industrial park, 24/7/365 operation possible
- Located approximately 7.0km from Tomei Expressway Atsugi IC, good access to central of western Tokyo and Kawasaki/Yokohama via National Route 246
- Highly versatile building, which can be used as a plant or other type of industrial property, with a floor weight capacity of 1.5t/m<sup>2</sup> (3.0t/m<sup>2</sup> for some portions), effective ceiling height of 5.5-9.5m or higher and pillar intervals of 12m × 15-19m

(Note1) “Unrealized gain” is the difference between appraisal value as of Jan. 31,2020 and anticipated acquisition price. “Unrealized gain ratio” is derived by dividing unrealized gain by anticipated 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 first fiscal year under the DCF method indicated in the appraisal report as of Jan,31, 2020. If special circumstances are expected in the first year, the second or later year net revenue is used. Depreciation expense is calculated by annualizing an estimate for the fiscal period ending in January 2021. The same shall apply hereinafter.

(Note3) Remaining lease is calculated as of Jul. 15, 2020. The same shall apply hereinafter.

Anticipated Acquisition Price	<b>JPY 6,960 mn</b>
Appraisal Value	<b>JPY 6,990 mn</b>
Unrealized gain (Ratio) (Note1)	<b>JPY +30 mn (+0.4%)</b>
NOI Yield (Note2)	<b>6.0%</b>
NOI Yield after depreciation (Note2)	<b>4.0%</b>
Tenant	Ichikoh Industries, Ltd.
Occupancy Rate	100.0%
Lease type	Fixed-term lease contract
Lease term (Remaining term) (Note3)	10.0 years (8.9 years)
Cancellation before maturity / Rent revision	Not allowed / Revision not permitted

- Highly versatile building with a comfortable work environment



# IIF Atsugi Manufacturing Center (*building*) (cont'd)

- Off-balance sheet development scheme enables IIF to expand its portfolio and achieve further external growth

**ICHIKOH**  
a Valeo company

CRE Needs

- Acquisition of land with leasehold interest for a new plant in its auto sector, one of Japan's key industries
- Construction of a large-scale plant on an off-balance sheet basis

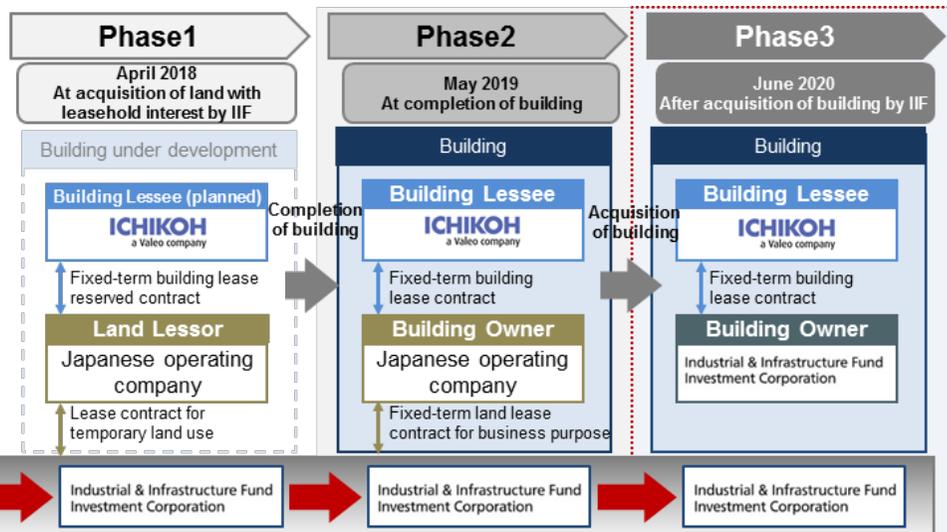


Industrial & Infrastructure Fund Investment Corporation

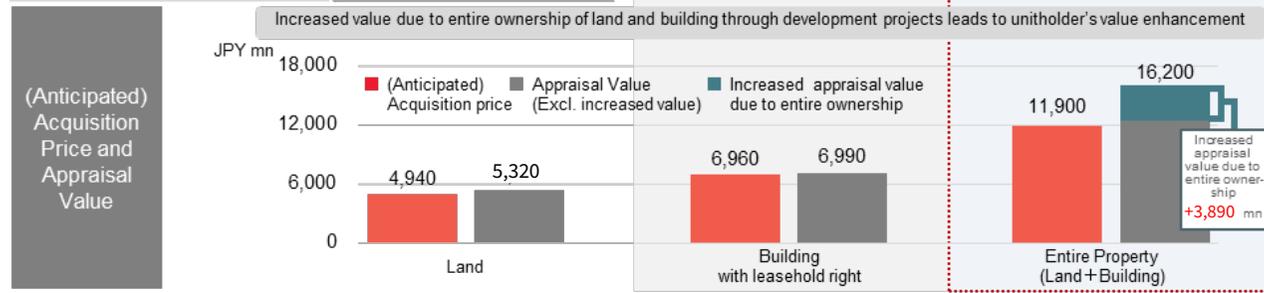
Solution Proposal

- Plant construction on an off-balance sheet basis by using a leasing company

Overview of development scheme



	Land only	Building with leasehold right	Entire land and building
(Anticipated) acquisition price (JPY mn)	4,940	6,960	<b>11,900</b>
Appraisal Value <sup>(Note)</sup> (JPY mn)	5,320	6,990	<b>16,200</b>
NOI yield before depreciation	5.2%	6.0%	<b>5.6%</b>
NOI yield after depreciation	5.2%	4.0%	<b>4.4%</b>
Difference (JPY mn) (ratio)	+380 (+7.7%)		<b>+4,300 (+36.1%)</b>



(Note) The figure is based on the appraisal report as of Jan. 31, 2020.

# IIF Yokohama Tsuzuki R&D Center



## Key Points

- Acquisition of a key R&D facility serving as a base for R&D and maintenance of systems for financial institutions and public organizations, through CRE proposal for INES Corporation, a major information system development company listed on first section of the Tokyo Stock Exchange
- Location surrounded by R&D facilities within Kohoku New Town in Yokohama, Kanagawa, in which there is a growing need for this type of facilities

### Long-term Usability

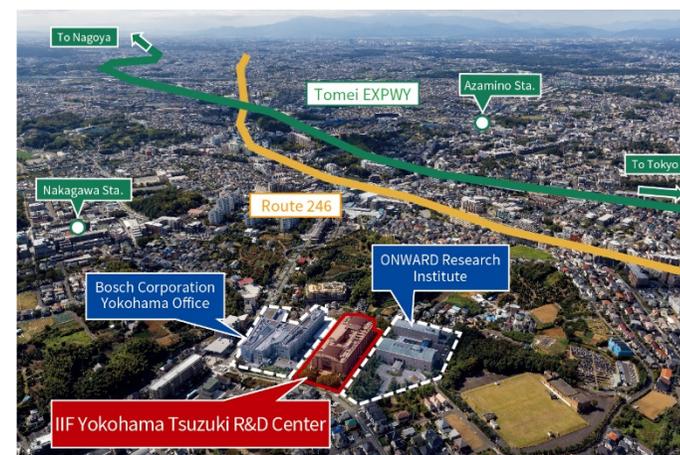
- A key R&D facility in which INES Corporation, a major system development company, has been operating since 1991
- A large majority of the tenant's headquarter's functions is now transferred to this property, as INES Corporation sold its head-office building located in Tokyo
- High degree of continuity backed by the fixed-term building lease contract of 10 years (non-cancellable period of 5 years)

### Versatility

- Located within Kohoku New Town in Yokohama, Kanagawa, surrounded by R&D facilities of other companies including Bosch and Onward, and adjacent to the existing portfolio property IIF Yokohama Tsuzuki Technology Center
- Located about 10 minutes by bus from Tama-Plaza Station of the Tokyu Den-en-toshi Line and within a 15-minute walk from Nakagawa Station of the Yokohama Municipal Subway Blue Line
- Highly regarded from a Business Continuity Plan perspective because of the equipped emergency generators that supply power for 72 hours, and also as disaster-resistant location standing on the firm ground

Acquisition Price	JPY 5,900 mn
Appraisal Value	JPY 6,350 mn
Unrealized gain (Ratio)	JPY +450 mn (7.6%)
NOI Yield	5.9%
NOI Yield after depreciation	4.9%
Tenant	INES Corporation
Occupancy Rate	100.0%
Lease type	Fixed-term building lease contract
Lease term (Remaining term)	10.0 years (9.3 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Revision not permitted

- Highly-versatile facility located in an area where R&D facilities are concentrated



# IIF Okazaki Manufacturing Center (land with leasehold interest)



Anticipated Acquisition Price	JPY 3,930 mn
Appraisal Value	JPY 4,190 mn
Unrealized gain (Ratio)	JPY 260 mn (+6.6%)
NOI Yield	4.9%
NOI Yield after depreciation	4.9%
Tenant <sup>(Note 2)</sup>	Mitsubishi UFJ Trust and Banking Corporation
Occupancy Rate	100.0%
Lease type	Fixed-term land lease contract for business purpose
Lease term (Remaining term)	20.0 years (20.0 years)
Cancellation before maturity / Rent revision	Not allowed for 4 years and 3 months / Stipulated

## Key Points

- Acquisition of the manufacturing plant (land with leasehold interest) located in Nishi-Mikawa region of Aichi<sup>(Note1)</sup>, the area of unparalleled industry accumulation in Japan around Toyota Motors, and rare industrial specialized area, adjacent to Okazaki-Higashi IC on Shin-Tomei Expressway
- Greatly improved convenience of the access to the expressway network after the opening of Shin-Tomei Expressway

## Long-term Usability

- Major automotive parts manufacturer's key manufacturing plant as end tenant of building
- High degree of continuity backed by a fixed term land lease contract for business purposes of 20 years (non-cancellable period of 4 years and 3 months)

## Versatility

- Situated in Okazaki, a city of Aichi, the prefecture with the largest number of large-scale manufacturing plants concentrated in Japan, many of which are auto and automotive-related manufacturers including Mitsubishi Motors, AISIN AW, Toray and JTEKT
- Facility available for 24/7/365 operation, surrounded by a number of plants, within approximately 1.0km from the Okazaki-Higashi IC on Shin-Tomei Expressway
- Greatly improved access to the expressway network after the opening of Shin-Tomei Expressway's section between Hamamatsu Inasa JCT and Toyota-Higashi JCT via Okazaki-Higashi IC in February 2016, allowing Shin-Tomei Expressway to function as a bypass of the Tomei Expressway

- Located in area near Okazaki-Higashi IC where manufacturing plants are concentrated



(Note1) "Nishi-Mikawa region" consists of Okazaki, Hekinan, Kariya, Anjo, Toyota, Nishio, Chiryu, Takahama, Miyoshi and Kota-town, all of which are cities in Aichi.

(Note2) The building on the premise is entrusted to the care of Mitsubishi UFJ Trust and Banking Corporation as a trustee. The tenant will be Mitsubishi UFJ Trust and Banking Corporation (different from the lessees of the building). The same shall apply hereinafter.

# IIF Gifu Kakamigahara Logistics Center



## Key Points

- **BTS-type<sup>(Note)</sup> development project based on the identified needs of The Shibusawa Warehouse Co., Ltd., a major logistics company, to set up a new facility on an off-balance basis**
- **The building is developed on an off-balance basis and acquired by IIF upon its completion, in addition to the relevant land**
- **Facility functioning as the tenant's important distribution hub covering Gifu and Aichi areas**

### Long-term Usability

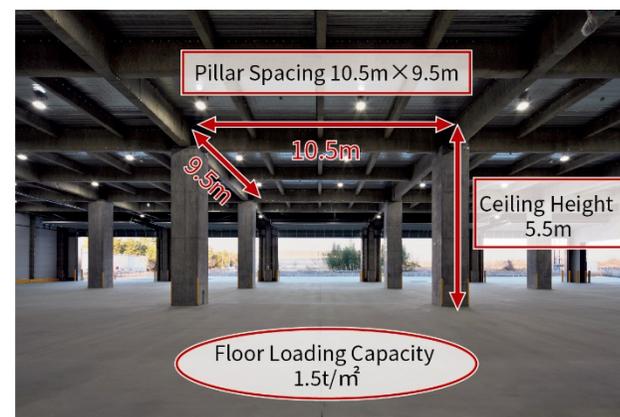
- Development project of BTS-type logistics facility that serves as the tenant's important hub in Gifu and Aichi areas
- The tenant will transfer functions of its Nagoya Office into this facility, which can better coordinate with the tenant's existing facility
- High degree of continuity backed by the 10-year fixed-term building lease contract (including the 5-year non-cancellable period)

### Versatility

- Located within approx. 20.0km from central Nagoya, an area with a large number of consumers, the property provides access to extensive areas via the Gifu-Kakamigahara IC (approx. 3.7km) and the Ichinomiya-Kisogawa IC (approx. 4.4km), both on the Tokai-Hokuriku Expressway
- Highly versatile logistics facility with floor weight capacity of 1.5t/m<sup>2</sup>, effective ceiling height of 5.5m and pillar intervals of 10.5m × 9.5m
- Ample of truck yard and parking lots for employees

Acquisition Price	JPY 2,343 mn
Appraisal Value	JPY 2,820 mn
Unrealized gain (Ratio)	JPY +477 mn (+20.4%)
NOI Yield	5.9%
NOI Yield after depreciation	4.1%
Tenant	The Shibusawa Warehouse Co., Ltd.
Occupancy Rate	100.0%
Lease type	Fixed-term building lease contract
Lease term (Remaining term)	10.0 years (8.6 years)
Cancellation before maturity / Rent revision	Not allowed for 5 years / Revision not permitted

- Versatile property with high specifications



(Note) "BTS-type" logistics facility refers to a facility that has been developed to cater to the needs of specific tenants in terms of its location and equipment. The same shall apply hereinafter.

# IIF Hiroshima Seifushinto Logistics Center



## Key Points

- Development project based on the identified needs of Nest Logistics K.K., a locally-based 3PL (Note1) company for logistics base and asset divestment needs of the landowner
- Rare and versatile logistics facility located in an area with traffic convenience for broad distribution, within approx. 3.0km and 5.0km from Hiroshima Seifushinto IC on Hiroshima Expressway and Itsukaichi IC on Sanyo Expressway, respectively

## Long-term Usability

- Continuity backed by a 20-year fixed-term building lease contract (non-cancellable) (Note2)
- The facility is to be completed in April 2020, and is planned to be used as the tenant's distribution hub covering the extensive area of Chugoku Region, connecting the two major cities Osaka and Fukuoka

## Versatility

- Located at a rare site with good access to the Hiroshima urban areas, within approx. 3.0km and 5.0km from Hiroshima Seifushinto IC on Hiroshima Expressway and Itsukaichi IC on Sanyo Expressway respectively
- Located in an industrial area adjacent to the housing complex Central City COCORO, enhancing its competitiveness in securing a workforce
- High-spec logistics facility with strong versatility as seen in floor weight capacity of 1.5t/m<sup>2</sup>, effective ceiling height of 5.5m or more and pillar intervals of 11.5m × 8.8m, and equipped with 284 rooftop car parking lots, office and worksite cafeteria that help the tenant realize a good working environment and commuting convenience

(Note1) 3PL (third party logistics) is a company's use of third party businesses to outsource elements of such company's distribution and fulfillment services.

(Note2) After the completion of the building, the seller and Nest Logistics K.K. plan to conclude a fixed-term building lease contract and IIF will succeed to the position of lessor under such contract.

Anticipated Acquisition Price	JPY 6,208 mn
Appraisal Value	JPY 6,870 mn
Unrealized gain (Ratio)	JPY +661 mn (+10.6%)
NOI Yield	5.7%
NOI Yield after depreciation	4.1%

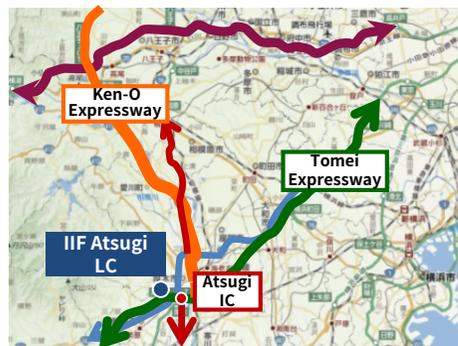
Tenant	Nest Logistics K.K.
Occupancy Rate	100.0% (Planned)(Note2)
Lease type	Fixed-term building lease contract (Planned)(Note2)
Lease term (Remaining term)	20.0 years (19.8 years) (Planned)(Note2)
Cancellation before maturity / Rent revision	Not allowed / Revision not permitted(Planned)(Note2)

- Located in an industrial area adjacent to the housing complex Central City COCORO



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

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



## Property Characteristics

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

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

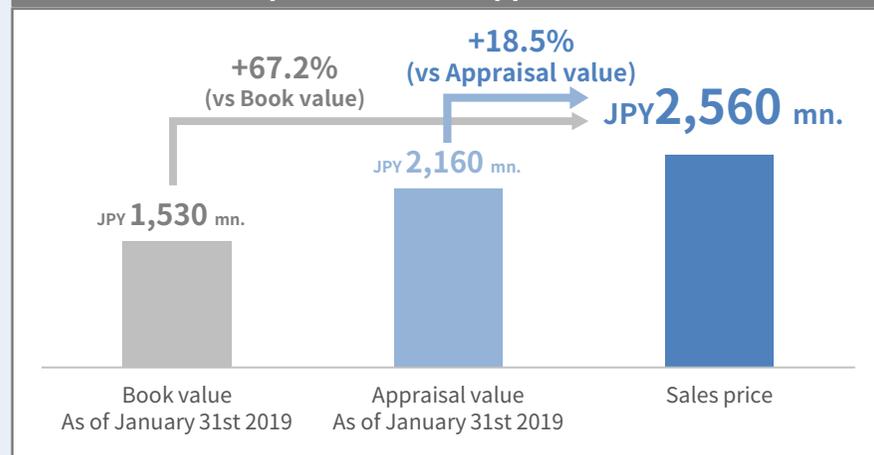
(Note 1) NOI Yield = NOI ÷ Acquisition price of the property

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

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

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

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



## Achievement by disposition

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

## Scheduled disposition date

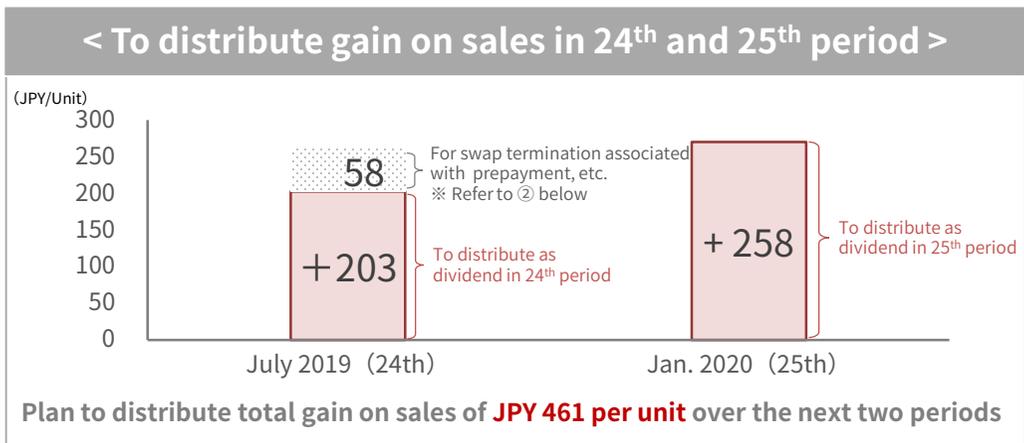
March 29th, 2019 (First 50% ownership)  
August 1st, 2019 (Remaining 50% ownership)

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

## Initiatives using gain on sales and disposition proceeds

Initiatives by  
gain on sales  
and disposition  
proceeds

① Distribution of realized gain to unitholders



② Prepayment and refinance aiming for interest cost reduction

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

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

DPU increase  
**+JPY 19**

(Note) "Average remaining period" and "Average applicable interest rate" after refinancing is calculated based on the loan agreement executed on March 13, 2019.

# 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)**

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**

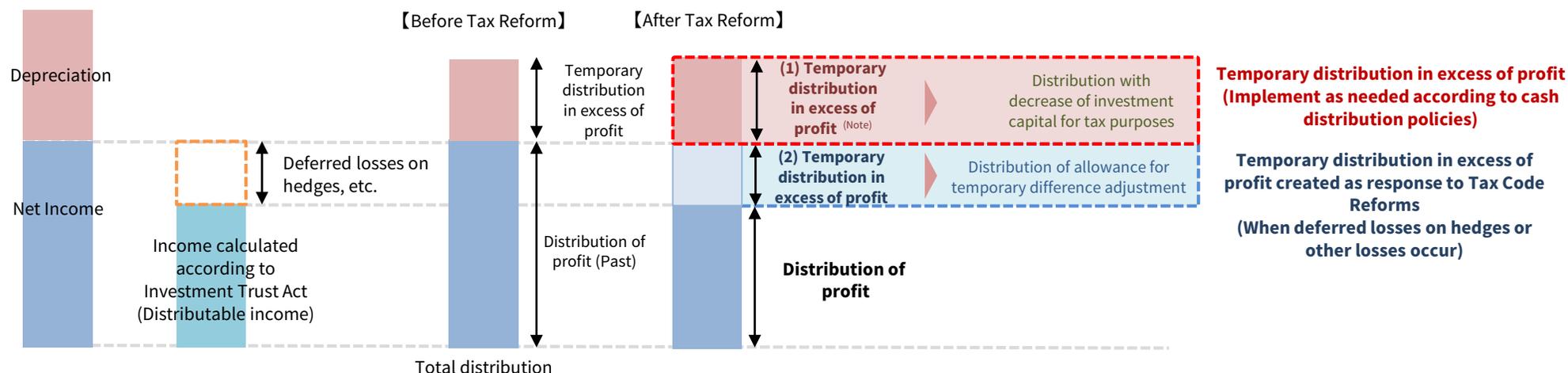
#### Distribution Standards

- ✓ 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

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

- ✓ 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 July 15, 2020)

## Logistics Facilities

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (JPY mn.)		Appraisal Value as of the End of Period (JPY mn.) (Note 3)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)
						Percentage		Percentage		Percentage		
L-1	IIF Shinonome Logistics Center (Note 7)	Koto-ku, Tokyo	Feb 2006	14.4 years	13,700	4.2%	17,437	4.5%	27,493.29m <sup>2</sup>	1.6%	100.0%	4.6%
L-4	IIF Noda Logistics Center	Noda-shi, Chiba	Mar 2006	14.3 years	6,500	2.0%	9,090	2.4%	38,828.10m <sup>2</sup>	2.3%	100.0%	0.3%
L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	Jun 1998	22.1 years	5,300	1.6%	7,530	2.0%	5,741.75m <sup>2</sup>	0.3%	100.0%	6.4%
L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	Sep 1985	34.8 years	2,000	0.6%	3,130	0.8%	10,113.50m <sup>2</sup>	0.6%	100.0%	2.6%
L-8	IIF Nishinomiya Logistics Center	existing building extension building Nishinomiya-shi, Hyogo	May 1997	23.2 years	1,300	0.4%	3,000	0.8%	10,608.00m <sup>2</sup>	0.6%	100.0%	9.9%
			May 2016	4.2 years	859	0.3%			6,592.00m <sup>2</sup>	0.4%	100.0%	6.7%
L-9	IIF Narashino Logistics Center (land with leasehold interest)	Narashino-shi, Chiba	—	—	1,190	0.4%	3,010	0.8%	19,834.71m <sup>2</sup>	1.2%	100.0%	—
L-10	IIF Narashino Logistics Center II (Note 8)	(land with leasehold interest) (building with leasehold interest) Narashino-shi, Chiba	—	—	3,350	1.0%	6,420	1.7%	58,070.00m <sup>2</sup>	3.4%	100.0%	—
			Apr 1991	29.3 years	1,200	0.4%			25,835.16m <sup>2</sup>	1.5%	100.0%	9.2%
L-11	IIF Atsugi Logistics Center II	Atsugi-shi, Kanagawa	Oct 1992	27.7 years	3,100	1.0%	4,120	1.1%	20,661.13m <sup>2</sup>	1.2%	100.0%	7.6%
L-12	IIF Yokohama Tsuzuki Logistics Center	Yokohama-shi, Kanagawa	Sep 1998	21.8 years	2,350	0.7%	3,500	0.9%	9,615.82m <sup>2</sup>	0.6%	100.0%	8.7%
L-13	IIF Saitama Logistics Center	Saitama-shi, Saitama	Dec 1989	30.6 years	1,490	0.5%	2,180	0.6%	8,995.00m <sup>2</sup>	0.5%	100.0%	4.2%
L-14	IIF Nagoya Logistics Center	Nagoya-shi, Aichi	Apr 1990	30.3 years	1,050	0.3%	1,620	0.4%	8,721.01m <sup>2</sup>	0.5%	100.0%	9.1%
L-15	IIF Atsugi Logistics Center III	Atsugi-shi, Kanagawa	Oct 1981	38.8 years	2,290	0.7%	3,130	0.8%	16,584.64m <sup>2</sup>	1.0%	100.0%	7.3%
L-16	IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Apr 2002	18.3 years	1,770	0.5%	4,490	1.2%	11,705.02m <sup>2</sup>	0.7%	100.0%	10.7%
L-17	IIF Kobe Logistics Center	Kobe-shi, Hyogo	Jan 2001	19.5 years	5,193	1.6%	7,780	2.0%	39,567.74m <sup>2</sup>	2.3%	100.0%	5.5%
L-18	IIF Higashi Osaka Logistics Center	Higashi Osaka-shi, Osaka	Nov 1991	28.7 years	2,280	0.7%	3,230	0.8%	20,495.06m <sup>2</sup>	1.2%	97.3%	9.0%
L-19	IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Nov 1990	29.6 years	1,810	0.6%	2,930	0.8%	17,379.78m <sup>2</sup>	1.0%	100.0%	4.4%
L-20	IIF Misato Logistics Center	Misato-shi, Saitama	Feb 2007	13.4 years	3,550	1.1%	5,450	1.4%	19,019.71m <sup>2</sup>	1.1%	100.0%	4.0%
L-21	IIF Iruma Logistics Center	Iruma-shi, Saitama	Dec 2010	9.6 years	3,184	1.0%	4,140	1.1%	17,881.65m <sup>2</sup>	1.0%	100.0%	5.8%
L-22	IIF Tosu Logistics Center	Tosu-shi, Saga	Feb 2007	13.4 years	1,570	0.5%	2,000	0.5%	13,862.05m <sup>2</sup>	0.8%	100.0%	0.8%
L-23	IIF Inzai Logistics Center	Inzai-shi, Chiba	Feb 2007	13.4 years	1,600	0.3%	1,380	0.4%	5,490.00m <sup>2</sup>	0.3%	100.0%	4.7%
L-24	IIF Morioka Logistics Center	Shiwa-gun, Iwate	Aug 2005	14.9 years	1,060	0.2%	1,250	0.3%	8,001.57m <sup>2</sup>	0.5%	100.0%	1.9%
L-25	IIF Hiroshima Logistics Center	Hiroshima-shi, Hiroshima	Dec 2013	6.6 years	3,540	1.1%	4,520	1.2%	22,768.24m <sup>2</sup>	1.3%	100.0%	4.8%
L-26	IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	Izumiotsu-shi, Osaka	—	—	4,000	1.2%	4,410	1.1%	48,932.00m <sup>2</sup>	2.8%	100.0%	—
L-27	IIF Izumisano Food Processing and Logistics Center	Izumisano-shi, Osaka	Oct 1996	23.8 years	860	0.3%	1,050	0.3%	13,947.83m <sup>2</sup>	0.8%	100.0%	12.3%
L-28	IIF Kyotanabe Logistics Center	Kyotanabe-shi, Kyoto	Mar 2007	13.4 years	5,730	1.8%	7,530	2.0%	33,243.99m <sup>2</sup>	1.9%	100.0%	5.6%
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	Koga-shi, Fukuoka	—	—	860	0.3%	1,010	0.3%	30,815.97m <sup>2</sup>	1.8%	100.0%	—
L-30	IIF Fukuoka Higashi Logistics Center	Fukuoka-shi, Fukuoka	Jan 1997	23.5 years	1,860	0.6%	2,100	0.5%	11,262.86m <sup>2</sup>	0.7%	100.0%	0.2%
L-31	IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Jan 1991	29.5 years	8,700	2.7%	9,820	2.6%	46,262.20m <sup>2</sup>	2.7%	100.0%	9.6%
L-32	IIF Kazo Logistics Center	Kazo-shi, Saitama	Apr 1989	31.3 years	2,361	0.7%	2,840	0.7%	17,744.41m <sup>2</sup>	1.0%	100.0%	8.2%
L-33	IIF Hamura Logistics Center	Hamura-shi, Tokyo	Jul 1991	29.0 years	820	0.3%	934	0.2%	3,892.66m <sup>2</sup>	0.2%	100.0%	4.2%
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka-shi, Fukuoka	Feb 2008	12.4 years	5,170	1.6%	5,380	1.4%	24,967.58m <sup>2</sup>	1.4%	100.0%	0.4%
L-35	IIF Fukuoka Hakozaki Logistics Center II	existing building extension building Fukuoka-shi, Fukuoka	Mar 2008	12.4 years	10,179	3.1%	11,400	3.0%	51,530.51m <sup>2</sup>	3.0%	100.0%	0.2%
			Feb 2018	2.4 years					51,530.51m <sup>2</sup>	3.0%	100.0%	0.7%
L-36	IIF Itabashi Logistics Center	Itabashi-ku, Tokyo	May 2007	13.2 years	1,717	0.5%	1,980	0.5%	5,057.68m <sup>2</sup>	0.3%	100.0%	5.8%
L-37	IIF Sendai Taiwa Logistics Center	Kurokawa-gun, Miyagi	Jan 2006	14.5 years	1,546	0.5%	1,700	0.4%	15,555.15m <sup>2</sup>	0.9%	100.0%	2.4%
L-38	IIF Ota Logistics Center	Ota-shi, Gunma	Feb 2006	14.4 years	1,010	0.3%	1,160	0.3%	6,900.01m <sup>2</sup>	0.4%	100.0%	7.0%
L-39	IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	Mar 2006	14.3 years	12,100	3.7%	14,400	3.7%	52,201.30m <sup>2</sup>	3.0%	100.0%	4.8%
L-40	IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Jul 1991	29.0 years	2,540	0.8%	2,810	0.7%	12,299.76m <sup>2</sup>	0.7%	100.0%	3.9%
L-41	IIF Morioka Logistics Center II	Shiwa-gun, Iwate	Mar 1997	23.3 years	1,302	0.4%	1,600	0.4%	12,383.30m <sup>2</sup>	0.7%	100.0%	1.7%
L-42	IIF Sapporo Logistics Center	Sapporo-shi, Hokkaido	May 2009	11.2 years	2,480	0.8%	2,600	0.7%	13,064.75m <sup>2</sup>	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%	20,000.00m <sup>2</sup>	1.2%	100.0%	—
L-44	IIF Koriyama Logistics Center	Koriyama-shi, Fukushima	Oct 2005	14.7 years	2,585	0.8%	3,180	0.8%	17,533.15m <sup>2</sup>	1.0%	100.0%	2.8%
L-45	IIF Kobe Nishi Logistics Center(land with leasehold interest)	Kobe-shi, Hyogo	—	—	1,960	0.6%	2,250	0.6%	33,000.00m <sup>2</sup>	1.9%	100.0%	—
L-46	IIF Hyogo Tatsuno Logistics Center	Tatsuno-shi, Hyogo	Jul 2002	18.0 years	3,915	1.2%	4,400	1.1%	25,186.78m <sup>2</sup>	1.5%	100.0%	3.7%
L-47	IIF Akishima Logistics Center	Akishima-shi, Tokyo	Jan 1992	28.5 years	8,019	2.5%	8,520	2.2%	31,071.21m <sup>2</sup>	1.8%	100.0%	3.6%
L-48	IIF Gifu Kakamigahara Logistics Center	Kakamigahara-shi, Gifu	Feb 2019	1.4 years	2,343	0.7%	2,820	0.7%	16,708.51m <sup>2</sup>	1.0%	100.0%	2.8%
L-49	IIF Hiroshima Seifushinto Logistics Center	Hiroshima-shi, Hiroshima	Apr 2020	0.2 years	6,208	1.9%	6,870	1.8%	28,986.25m <sup>2</sup>	1.7%	100.0%	1.2%
Logistics Facilities Total				18.1 years	159,649	49.3%	203,311	52.9%	1,016,412.79m <sup>2</sup>	59.0%	99.9%	—

# Our Portfolio (2) (As of July 15, 2020)

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

Property Number	Name of Property	Location	Date Completed (Note 1)	Age of a building (Note 2)	Acquisition Price (JPY mn.)		Appraisal Value as of the End of Period (JPY mn.) (Note 3)		Total Leasable Area (Note 4)		Occupancy Rate (Note 5)	PML (Note 6)
						Percentage		Percentage		Percentage		
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	4,500	1.4%	5,380	1.4%	31,442.47m <sup>2</sup>	1.8%	100.0%	—
F-2	IIF Yokohama Tsuzuki Technology Center	Yokohama-shi, Kanagawa	Feb 1996	24.4 years	1,100	0.3%	1,340	0.3%	4,655.48m <sup>2</sup>	0.3%	100.0%	3.3%
F-3	IIF Mitaka Card Center	Mitaka-shi, Tokyo	Apr 1994	26.2 years	8,700	2.7%	10,100	2.6%	21,615.01m <sup>2</sup>	1.3%	100.0%	6.7%
F-5	IIF Kamata R&D Center	Ohta-ku, Tokyo	Jun 1988	32.1 years	7,200	2.2%	8,380	2.2%	21,896.56m <sup>2</sup>	1.3%	100.0%	7.7%
F-6	IIF Kawasaki Science Center	Kawasaki-shi, Kanagawa	May 2014	6.2 years	2,168	0.7%	3,000	0.8%	4,857.73m <sup>2</sup>	0.3%	100.0%	9.7%
F-7	IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Jul 1989	31.1 years	3,100	1.0%	4,420	1.2%	19,328.40m <sup>2</sup>	1.1%	100.0%	8.5%
F-8	IIF Yokohama Shinyamashita R&D Center	Yokohama-shi, Kanagawa	Aug 2007	12.9 years	3,810	1.2%	4,240	1.1%	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>	3.8%	100.0%	—
F-10	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	Urayasu-shi, Chiba	—	—	1,300	0.4%	1,660	0.4%	7,925.94m <sup>2</sup>	0.5%	100.0%	—
F-11	IIF Yokosuka Technology Center	Yokosuka-shi, Kanagawa	Nov 1995	24.6 years	4,000	1.2%	4,490	1.2%	13,779.77m <sup>2</sup>	0.8%	100.0%	5.0%
F-12	IIF Shonan Technology Center	Koza-gun, Kanagawa	Jul 1994	26.0 years	1,200	0.4%	1,340	0.3%	7,244.71m <sup>2</sup>	0.4%	100.0%	4.8%
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Hiroshima-shi, Hiroshima	—	—	1,608	0.5%	1,870	0.5%	23,106.75m <sup>2</sup>	1.3%	100.0%	—
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	Yokohama-shi, Kanagawa	—	—	2,300	0.7%	2,590	0.7%	19,458.49m <sup>2</sup>	1.1%	100.0%	—
F-15	IIF Atsugi Manufacturing Center	Atsugi-shi, Kanagawa	May 2019	1.1 years	11,900	3.7%	16,200	4.2%	95,816.91m <sup>2</sup>	5.6%	100.0%	8.0%
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	Ryugasaki-shi, Ibaraki	—	—	900	0.3%	1,320	0.3%	17,721.03m <sup>2</sup>	1.0%	100.0%	—
F-17	IIF Shin-Kawasaki R&D Center	Kawasaki-shi, Kanagawa	Aug 2015	4.9 years	6,300	1.9%	8,540	2.2%	11,801.42m <sup>2</sup>	0.7%	100.0%	6.7%
F-18	IIF Ichikawa Food Processing Center	Ichikawa-shi, Chiba	Aug 1989	30.9 years	6,200	1.9%	6,340	1.6%	27,424.22m <sup>2</sup>	1.6%	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>	0.7%	100.0%	—
F-20	IIF Yokohama Tsuzuki R&D Center	Kakamigahara-shi, Gifu	Mar 1991	29.4 years	5,900	1.8%	6,350	1.7%	18,132.42m <sup>2</sup>	1.1%	100.0%	6.6%
F-21	IIF Okazaki Manufacturing Center (land with leasehold interest)	Okazaki-shi, Aichi	—	—	3,930	1.2%	4,190	1.1%	42,049.87m <sup>2</sup>	2.4%	100.0%	—
Manufacturing and R&D Facilities Total				19.2 years	77,881	24.1%	93,774	24.4%	471,868.44m <sup>2</sup>	27.4%	100.0%	—
I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Apr 1990	30.3 years	18,100	5.6%	14,500	3.8%	11,476.05m <sup>2</sup>	0.7%	100.0%	4.7%
I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	Jun 1993	27.1 years	41,110	12.7%	41,300	10.7%	81,995.81m <sup>2</sup>	4.8%	100.0%	M1 : 4.5% M2 : 3.2%
I-3	IIF Zama IT Solution Center	Zama-shi, Kanagawa	Nov 1988	31.7 years	5,384	1.7%	5,530	1.4%	10,931.89m <sup>2</sup>	0.6%	100.0%	7.3%
I-4	IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Aug 1989	30.9 years	4,900	1.5%	6,940	1.8%	19,547.11m <sup>2</sup>	1.1%	100.0%	8.9%
I-5	IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Sep 1991	28.8 years	5,600	1.7%	6,340	1.6%	20,027.14m <sup>2</sup>	1.2%	100.0%	3.8%
I-6	IIF Osaka Nanko IT Solution Center	Osaka-shi, Osaka	Mar 1992	28.3 years	1,150	0.4%	2,430	0.6%	18,429.14m <sup>2</sup>	1.1%	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>	3.0%	100.0%	—
I-8	IIF Shinagawa IT Solution Center	Shinagawa-ku, Tokyo	Feb 1993	27.5 years	7,200	2.2%	7,170	1.9%	7,057.03m <sup>2</sup>	0.4%	95.9%	7.7%
I-9	IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	Higashimatsuyama-shi, Saitama	—	—	690	0.2%	756	0.2%	12,880.38m <sup>2</sup>	0.7%	100.0%	—
Infrastructure Facilities Total				28.5 years	86,034	26.6%	87,206	22.7%	233,928.25m <sup>2</sup>	13.6%	99.9%	—
Portfolio Total				21.3 years	323,566	100.0%	384,291	100.0%	1,722,209.48m <sup>2</sup>	100.0%	100.0%	—

(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 Jul. 15, 2020.

(Note 3) "Appraisal Value as of the End of Period" refers to the appraisal value as of January 31, 2020. The appraisal value as of IIF Atsugi Manufacturing Center refers to entire property of land and building.

(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 area refers to gross floor area as provided in the registry. With respect to IIF Atsugi Manufacturing Center, the area refers to the total leasable area of building and land.

(Note 5) "Occupancy rate" is based on the lease contracts which are effective as of Jul. 15, 2020.

(Note 6) "PML" is based on surveys reported on Feb. 6, 2020. PML figures for IIF Hiroshima Seifushinto Logistics Center, IIF Yokohama Tsuzuki R&D Center and IIF Atsugi Manufacturing Center are as of Oct. 16, 2019, Aug. 21, 2019 and Oct.18, 2019, respectively. PML figures for IIF Haneda Airport Maintenance Center are for M1 and M2 earthquakes.

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

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

# Lease Contracts (1) (As of July 15, 2020)

## 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)</sup>	Percentage <sup>(Note4)</sup>	Lease Term <sup>(Note5)</sup>	Lease Term Remaining <sup>(Note6)</sup>
L-1	IIF Shinonome Logistics Center	Sagawa Express Co., Ltd.	1	Fixed-Term Lease	795	3.7%	20.0 years	5.6 years
L-4	IIF Noda Logistics Center	Mitsubishi Electric Logistics Corporation, etc.	2	Fixed-Term Lease	Not Disclosed	-	7.5 years	0.8 years
L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	358	1.7%	20.0 years	18.0 years
L-7	IIF Koshigaya Logistics Center	Kabushikigaisya Tsukasa	1	Fixed-Term Lease	151	0.7%	10.0 years	0.5 years
L-8	IIF Nishinomiya Logistics Center	Suzujo Corporation	2	Fixed-Term Lease	Not Disclosed	-	26.7 years	15.8 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	1.1 years
L-10	IIF Narashino Logistics Center II <sup>(Note7)</sup>	Sapporo Breweries Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	28.0 years	20.5 years
L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	10.0 years	2.1 years
L-12	IIF Yokohama Tsuzuki Logistics Center	Takuyou Corporation Limited	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	14.2 years
L-13	IIF Saitama Logistics Center	MM Corporation	1	Fixed-Term Lease	133	0.6%	3.0 years	2.4 years
L-14	IIF Nagoya Logistics Center	Japan Airways Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	4.5 years	4.0 years
L-15	IIF Atsugi Logistics Center III	Tokyo Logistics Factory Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	1.6 years
L-16	IIF Kawaguchi Logistics Center	Hitachi Transport System Metropolitan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	4.0 years
L-17	IIF Kobe Logistics Center	Nissin Corporation	1	Ordinary Lease	Not Disclosed	-	11.7 years	4.2 years
L-18	IIF Higashi Osaka Logistics Center	Settsu Warehouse Co., Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	11.7 years	2.6 years
L-19	IIF Kashiwa Logistics Center	PIP LOGISTICS CO., LTD.	1	Fixed-Term Lease	Not Disclosed	-	5.0 years	2.4 years
L-20	IIF Misato Logistics Center	Takuyo Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	15.1 years	1.7 years
L-21	IIF Iruma Logistics Center	Daiichi Freight System Inc.	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	20.5 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	1.7 years
L-24	IIF Morioka Logistics Center	Nippon Access, Inc.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	2.3 years
L-25	IIF Hiroshima Logistics Center	Muroo Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	8.5 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	4.2 years
L-27	IIF Izumisano Food Processing and Logistics Center	Nakano Shokai Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	4.7 years
L-28	IIF Kyotanabe Logistics Center	Takara Butsuryu Inc.	1	Ordinary Lease	Not Disclosed	-	10.0 years	7.5 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	14.9 years
L-30	IIF Fukuoka Higashi Logistics Center	Toll Express Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	10.6 years
L-31	IIF Osaka Konohana Logistics Center	Sagawa Express Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	36.3 years	6.6 years
L-32	IIF Kazo Logistics Center	PIP Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	5.7 years
L-33	IIF Hamura Logistics Center	Coca-Cola Bottlers Japan Inc.	1	Fixed-Term Lease	Not Disclosed	-	8.0 years	4.2 years
L-34	IIF Fukuoka Hakozaki Logistics Center I	Fukuoka Soko Co., Ltd.	3	Fixed-Term Lease	Not Disclosed	-	4.0 years	1.9 years
L-35	IIF Fukuoka Hakozaki Logistics Center II <sup>(Note8)</sup>	NTT LOGISCO Inc., etc.	4	Fixed-Term Lease	Not Disclosed	-	8.6 years	3.7 years
L-36	IIF Itabashi Logistics Center	Higashi Twenty One Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	6.9 years
L-37	IIF Sendai Taiwa Logistics Center	Miyago Logistics Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	2.4 years
L-38	IIF Ota Logistics Center	Meitetsu Unyu Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	5.6 years
L-39	IIF Osaka Suminoe Logistics Center I	Toshiba Logistics Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	5.7 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	2.8 years
L-42	IIF Sapporo Logistics Center	Nippon Express Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	7.0 years	3.9 years
L-43	IIF Hitachinaka Port Logistics Center (land with leasehold interest)	Aono Sangyo Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	27.2 years
L-44	IIF Koriyama Logistics Center	Nichirei Logistics Group Inc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	5.3 years
L-45	IIF Kobe Nishi Logistics Center (land with leasehold interest)	Kohnan Shoji Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	20.0 years	17.7 years
L-46	IIF Hyogo Tatsuno Logistics Center	Hitachi Transport System, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	7.7 years
L-47	IIF Akishima Logistics Center	Tokyo Logistics Factory Co., Ltd.	1	Ordinary Lease	Not Disclosed	-	5.0 years	3.2 years
L-48	IIF Gifu Kakamigahara Logistics Center	<b>NEW</b> The Shibusawa Warehouse Co.,Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	8.6 years
L-49	IIF Hiroshima Sefushinto Logistics Center	<b>NEW</b> Nest Logistics K.K.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	19.8 years

# Lease Contracts (2) (As of July 15, 2020)

## 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)</sup>	Percentage <sup>(Note4)</sup>	Lease Term <sup>(Note5)</sup>	Lease Term Remaining <sup>(Note6)</sup>
F-1	IIF Totsuka Technology Center (land with leasehold interest)	Taisei Corporation	1	Fixed-Term Lease	276	1.3%	30.0 years	19.7 years
F-2	IIF Yokohama Tsuzuki Technology Center	TÜV Rheinland Japan Ltd.	1	Fixed-Term Lease	118	0.6%	22.0 years	10.2 years
F-3	IIF Mitaka Card Center	JCB Co., Ltd.	1	Ordinary Lease	729	3.4%	18.5 years	0.6 years
F-5	IIF Kamata R&D Center	Tokyo KEIKI Inc.	1	Fixed-Term Lease	Not Disclosed	-	14.9 years	5.7 years
F-6	IIF Kawasaki Science Center	Johnson & Johnson K.K. Medical Company	1	Fixed-Term Lease	Not Disclosed	-	15.0 years	8.8 years
F-7	IIF Sagamihara R&D Center	Micron Memory Japan Inc.,	2	Ordinary Lease	Not Disclosed	-	9.9 years	7.3 years
F-8	IIF Yokohama Shinyamashita R&D Center	ZF Automotive Japan Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	7.1 years
F-9	IIF Kakegawa Manufacturing Center (land with leasehold interest)	CxS Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	25.5 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	44.7 years
F-11	IIF Yokosuka Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	6.1 years
F-12	IIF Shonan Technology Center	Nikon Corporation	1	Ordinary Lease	Not Disclosed	-	10.0 years	6.1 years
F-13	IIF Hiroshima Manufacturing Center (land with leasehold interest)	Metal One Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	16.7 years
F-14	IIF Totsuka Manufacturing Center (land with leasehold interest)	MITSUIKE CORPORATION	1	Fixed-Term Lease	Not Disclosed	-	50.0 years	47.6 years
F-15	IIF Atsugi Manufacturing Center <sup>(Note9)</sup>	<b>NEW Building</b> Ichikoh Industries, Ltd., etc.	2	Fixed-Term Lease, etc	Not Disclosed	-	15.4 years	14.3 years
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	IDEC Corporation	1	Fixed-Term Lease	Not Disclosed	-	30.0 years	27.8 years
F-17	IIF Shin-Kawasaki R&D Center <sup>(Note10)</sup>	NEC Networks & System Integration Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	9.7 years
F-18	IIF Ichikawa Food Processing Center	Hyoshoku Co., Ltd., etc.	2	Fixed-Term Lease	Not Disclosed	-	20.0 years	16.8 years
F-19	IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	TERUMO CLINICAL SUPPLY CO.,LTD.	1	Ordinary Lease	Not Disclosed	-	30.0 years	28.7 years
F-20	IIF Yokohama Tsuzuki R&D Center	<b>NEW</b> INES Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	9.3 years
F-21	IIF Okazaki Manufacturing Center (land with leasehold interest)	<b>NEW</b> Mitsubishi UFJ Trust and Banking Corporation	1	Fixed-Term Lease	Not Disclosed	-	20.0 years	20.0 years
I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	4	Fixed-Term Lease	665	3.1%	12.0 years	3.9 years
I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	1	Fixed-Term Lease	1,888	8.8%	15.4 years	5.5 years
I-3	IIF Zama IT Solution Center	IBM Japan, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	1.0 years
I-4	IIF Shinagawa Data Center	XYMAX Corporation	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	1.6 years
I-5	IIF Osaka Toyonaka Data Center	Kanden Properties Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.0 years	5.2 years
I-6	IIF Osaka Nanko IT Solution Center	Nomura Research Institute, Ltd.	1	Fixed-Term Lease	Not Disclosed	-	10.1 years	2.6 years
I-7	IIF Nagoya Port Tank Terminal (land with leasehold interest)	NRS Chemical Center Co., Ltd.	1	Fixed-Term Lease	Not Disclosed	-	49.9 years	43.5 years
I-8	IIF Shinagawa IT Solution Center	Hitachi Systems, Ltd., etc.	7	Ordinary Lease, etc	Not Disclosed	-	2.2 years	1.4 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	25.4 years
<b>Portfolio Total</b>						<b>100.0%</b>	<b>15.3 years</b>	<b>8.0 years</b>

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

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

(Note 3) "Annual Rent" is the monthly rent described the respective lease agreements concluded with tenants as of Jul. 15, 2020 annualized by multiplying by 12, rounded up to the nearest million.

(Note 4) "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 5) "Lease Term" is calculated based on rent amount of total portfolio and is the weighted average contracted lease term.

(Note 6) "Lease Term Remaining" is calculated from Jul. 15, 2020 to the expiry date on the lease contract. The lease term remaining is calculated based on a weighted average of the annual rent.

(Note 7) 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 8) Figures include IIF Fukuoka Hakozaki LC II(extension building)

(Note 9) IIF Atsugi Manufacturing Center refers to entire property of building and land.

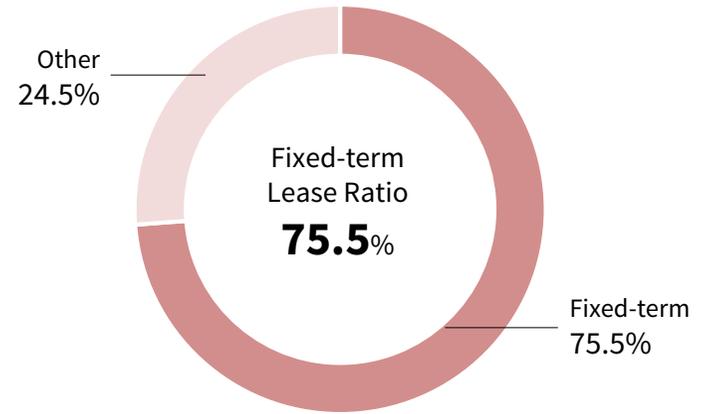
(Note 10) While the fixed-term building lease contract with the current tenant, Mitsubishi Logisnext Co., Ltd., will be cancelled on Mar 31, 2020, the new fixed-term building lease agreement is already concluded with the replacing tenant, NEC Networks & System Integration Corporation which will become effective on or after April 1, 2020.

# Lease Contracts (3) (As of July 15, 2020)

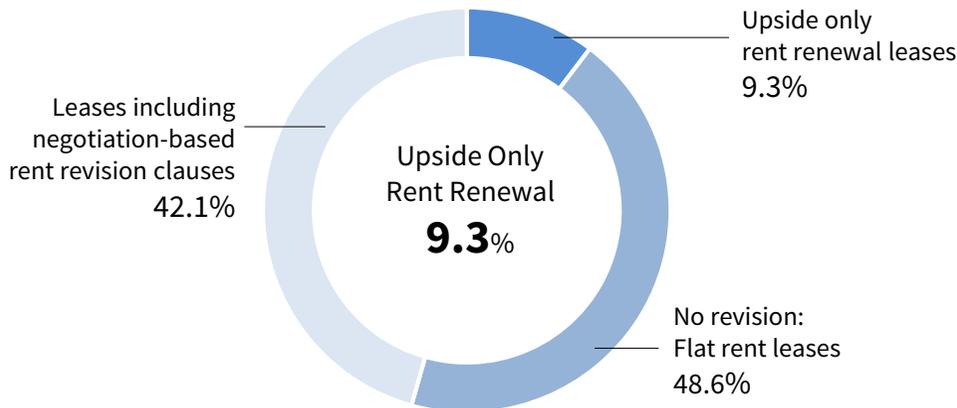
## Lease Term



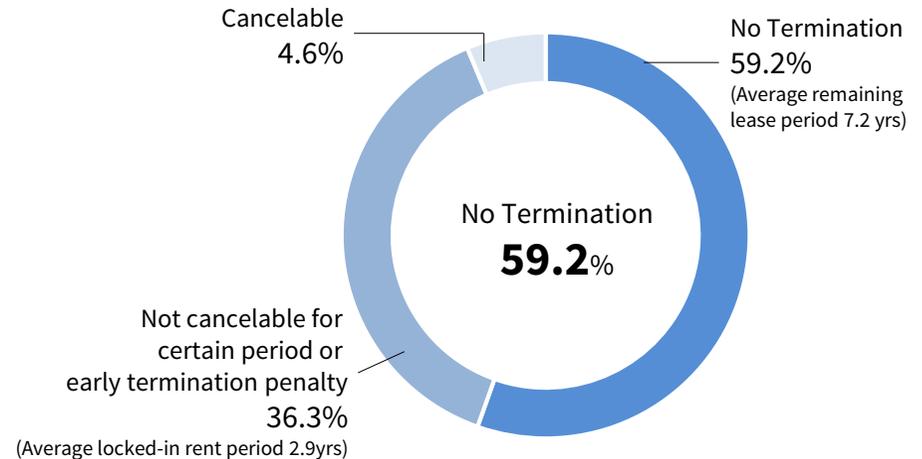
## Lease Type



## Rent Revisions Provision



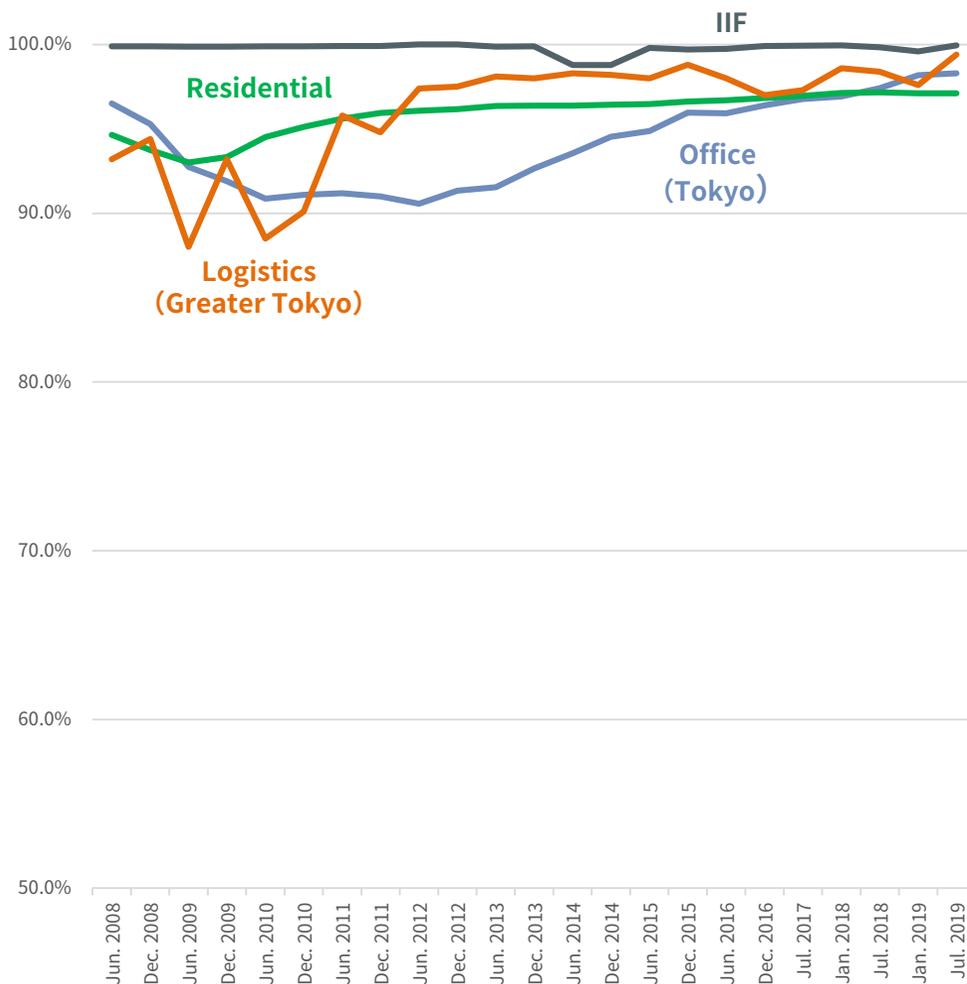
## Termination Option



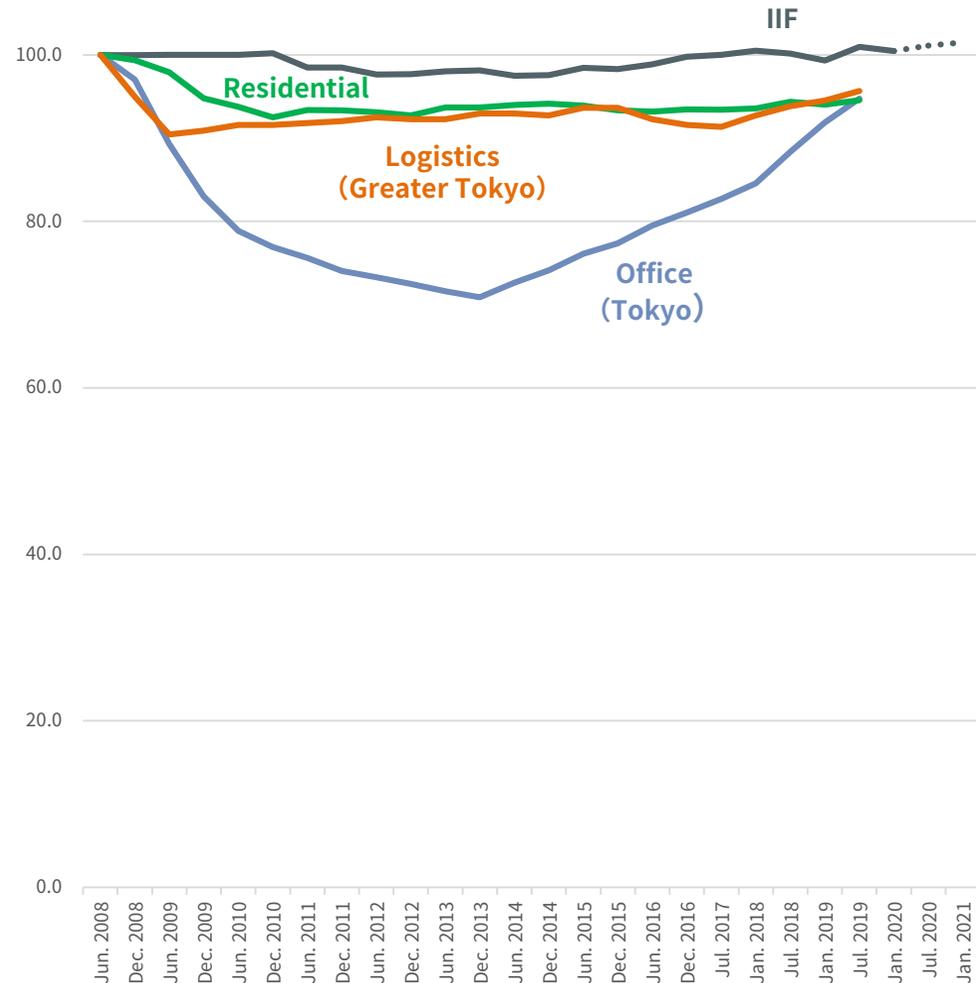
(Note) Based on estimated annual rent.

# Existing portfolio has kept high occupancy rate and stable rent income

■ Stable and High Occupancy Ratio (June 2008 to July 2019)



■ Stable Rent Revenue (June 2008=100)



(Source) Logistics : CBRE  
 Office : Miki Shoji Co, Ltd,  
 Residential : ARES Japan Property Index AJPI Date book

# Appraisal Values (1) (As of January 31, 2020)

## Logistics Facilities

Property Number	Name of Property	Book Value (JPY mn.)	Unrealized Capital Gain (Note 2)	Appraisal Value as of the End of Period (JPY mn.) (Note 1)				Direct Capitalization Method	Applied Rate (Note 1)					
				End of 25th Period			End of 24th Period		Capitalization Rate	DCF Method			Period-rarlier Levels	
				Appraisal Value	Period-Over-period	Period-Over-period (%)	Appraisal Value			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 3)	12,853	+4,583	17,437	+265	+1.5%	17,172	4.1%	3.6%	4.3%	(0.1p)	(0.1p)	(0.1p)	
L-4	IIF Noda Logistics Center	5,280	+3,809	9,090	(10)	(0.1%)	9,100	4.4%	4.2%	4.6%	0.0p	0.0p	0.0p	
L-5	IIF Shinsuna Logistics Center	5,151	+2,378	7,530	+70	+0.9%	7,460	4.1%	3.8%	4.2%	(0.1p)	(0.1p)	(0.1p)	
L-7	IIF Koshigaya Logistics Center	1,736	+1,393	3,130	+350	+12.6%	2,780	4.7%	4.4%	4.8%	(0.1p)	(0.1p)	(0.1p)	
L-8	IIF Nishinomiya Logistics Center	1,999	+1,000	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	+1,786	3,010	+130	+4.5%	2,880	-	4.5%	-	-	0.0p	-	
L-10	IIF Narashino Logistics Center II	4,657	+1,762	6,420	+60	+0.9%	6,360	4.6%	4.4%	4.8%	(0.1p)	(0.1p)	(0.1p)	
L-11	IIF Atsugi Logistics Center II	3,178	+941	4,120	+70	+1.7%	4,050	4.6%	4.3%	4.9%	(0.1p)	(0.1p)	(0.1p)	
L-12	IIF Yokohama Tsuzuki Logistics Center	2,294	+1,205	3,500	+80	+2.3%	3,420	4.4%	4.2%	4.6%	(0.1p)	(0.1p)	(0.1p)	
L-13	IIF Saitama Logistics Center	1,423	+756	2,180	+50	+2.3%	2,130	4.9%	4.6%	5.1%	(0.1p)	(0.1p)	(0.1p)	
L-14	IIF Nagoya Logistics Center	1,167	+452	1,620	-	0.0%	1,620	5.4%	5.0%	5.7%	0.0p	0.0p	0.0p	
L-15	IIF Atsugi Logistics Center III	2,393	+736	3,130	+10	+0.3%	3,120	4.8%	4.5%	5.0%	(0.1p)	(0.1p)	(0.1p)	
L-16	IIF Kawaguchi Logistics Center	2,116	+2,373	4,490	+20	+0.4%	4,470	4.3%	4.1%	4.4%	0.0p	0.0p	0.0p	
L-17	IIF Kobe Logistics Center	5,206	+2,573	7,780	+60	+0.8%	7,720	4.5%	4.2%	4.6%	0.0p	0.0p	0.0p	
L-18	IIF Higashi Osaka Logistics Center	2,501	+728	3,230	(10)	(0.3%)	3,240	5.0%	4.7%	5.2%	0.0p	0.0p	0.0p	
L-19	IIF Kashiwa Logistics Center	1,839	+1,090	2,930	(20)	(0.7%)	2,950	4.8%	4.4%	4.9%	0.0p	0.0p	0.0p	
L-20	IIF Misato Logistics Center	3,414	+2,035	5,450	+20	+0.4%	5,430	4.2%	4.0%	4.3%	0.0p	0.0p	0.0p	
L-21	IIF Iruma Logistics Center	3,021	+1,118	4,140	(20)	(0.5%)	4,160	4.9%	4.4%	5.3%	0.0p	0.0p	0.0p	
L-22	IIF Tosu Logistics Center	1,489	+510	2,000	+10	+0.5%	1,990	5.0%	4.8%	5.1%	0.0p	0.0p	0.0p	
L-23	IIF Inzai Logistics Center	1,014	+365	1,380	+10	+0.7%	1,370	5.3%	5.1%	5.4%	0.0p	0.0p	0.0p	
L-24	IIF Morioka Logistics Center	567	+682	1,250	+10	+0.8%	1,240	5.8%	5.6%	5.9%	0.0p	0.0p	0.0p	
L-25	IIF Hiroshima Logistics Center	3,314	+1,205	4,520	+20	+0.4%	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	+231	4,410	(20)	(0.5%)	4,430	-	4.5%	-	-	0.0p	-	
L-27	IIF Izumisano Food Processing and Logistics Center	931	+118	1,050	(60)	(5.4%)	1,110	4.8%	4.4%	4.9%	0.0p	0.0p	0.0p	
L-28	IIF Kyotanabe Logistics Center	5,664	+1,865	7,530	(20)	(0.3%)	7,550	4.6%	4.3%	4.7%	0.0p	0.0p	0.0p	
L-29	IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	914	+95	1,010	+10	+1.0%	1,000	-	5.6%	-	-	0.0p	-	
L-30	IIF Fukuoka Higashi Logistics Center	1,913	+186	2,100	+10	+0.5%	2,090	4.9%	4.5%	5.0%	0.0p	0.0p	0.0p	
L-31	IIF Osaka Konohana Logistics Center	8,630	+1,189	9,820	+10	+0.1%	9,810	4.0%	3.8%	4.2%	0.0p	0.0p	0.0p	
L-32	IIF Kazo Logistics Center	2,591	+248	2,840	+20	+0.7%	2,820	4.7%	4.4%	4.8%	0.0p	0.0p	0.0p	
L-33	IIF Hamura Logistics Center	928	+5	934	+6	+0.6%	928	4.5%	Until 2nd 4.4% From 3rd to 5th 4.5% After 6th 4.6%	4.7%	0.0p	-	0.0p	
L-34	IIF Fukuoka Hakozaki Logistics Center I	5,230	+149	5,380	+10	+0.2%	5,370	4.5%	4.1%	4.5%	0.0p	0.0p	0.0p	
L-35	IIF Fukuoka Hakozaki Logistics Center II	10,242	+1,157	11,400	+100	+0.9%	11,300	4.5%	4.1%	4.5%	0.0p	0.0p	0.0p	
L-36	IIF Itabashi Logistics Center	1,741	+238	1,980	+10	+0.5%	1,970	4.2%	3.7%	4.2%	0.0p	0.0p	0.0p	
L-37	IIF Sendai Taiwa Logistics Center	1,571	+128	1,700	-	0.0%	1,700	5.3%	5.0%	5.6%	0.0p	0.0p	0.0p	
L-38	IIF Ota Logistics Center	1,015	+144	1,160	-	0.0%	1,160	5.5%	Until 6th 5.4% After 7th 5.6%	5.7%	0.0p	7th +0.2%	0.0p	
L-39	IIF Osaka Suminoe Logistics Center I	12,013	+2,386	14,400	+300	+2.1%	14,100	4.2%	4.3%	4.4%	0.0p	0.0p	0.0p	
L-40	IIF Osaka Suminoe Logistics Center II	2,550	+259	2,810	+10	+0.4%	2,800	4.3%	4.4%	4.5%	0.0p	0.0p	0.0p	
L-41	IIF Morioka Logistics Center II	1,386	+213	1,600	+20	+1.3%	1,580	5.8%	5.4%	5.8%	0.0p	0.0p	0.0p	
L-42	IIF Sapporo Logistics Center	2,506	+93	2,600	(10)	(0.4%)	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	2,538	+641	3,180	+10	+0.3%	3,170	5.6%	Until 6th 5.6% After 7th 5.7%	5.8%	0.0p	-	0.0p	

# Appraisal Values (2) (As of January 31, 2020)

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

Property Number	Name of Property	Book Value (JPY mn.)	Unrealized Capital Gain (Note 2)	Appraisal Value as of the End of Period (JPY mn.) (Note 1)				Applied Rate (Note 1)					
				End of 25th Period			End of 24th 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-45	IIF Kobe Nishi Logistics Center(land with leasehold interest)	2,047	+202	2,250	+20	+0.9%	2,230	-	Until 13th 4.5% After 14th 4.6%	4.7%	-	14th +0.1%	0.0p
L-46	IIF Hyogo Tatsuno Logistics Center	4,127	+272	4,400	+20	+0.5%	4,380	5.0%	Until 3rd 5.0% After 4th 5.1%	5.2%	0.0p	4th +0.1%	0.0p
L-47	IIF Akishima Logistics Center	8,418	+101	8,520	-	0.0%	8,520	4.2%	Until 4th 4.1% After 5th 4.2%	4.4%	0.0p	-	0.0p
L-48	IIF Gifu Kakamigahara Logistics Center	2,502	+317	2,820	+2,820	-	-	4.8%	Until 4th 4.7% From 5th to 9th 4.8% After 10th 4.9%	5.0%	+4.8p	Until 4th 4.7% From 5th to 9th 4.8% After 10th 4.9%	+5.0p
<b>Logistics Facilities Total</b>		<b>152,688</b>	<b>+43,752</b>	<b>196,441</b>	<b>+4,441</b>	<b>+2.3%</b>	<b>192,000</b>						
F-1	IIF Totsuka Technology Center (land with leasehold interest)	4,553	+826	5,380	(10)	(0.2%)	5,390	-	5.0%	-	-	0.0p	-
F-2	IIF Yokohama Tsuzuki Technology Center	1,255	+84	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	7,529	+850	8,380	(20)	(0.2%)	8,400	5.4%	5.1%	5.6%	0.0p	0.0p	0.0p
F-6	IIF Kawasaki Science Center	1,991	+1,008	3,000	+50	+1.7%	2,950	5.1%	4.9%	5.3%	(0.1p)	(0.1p)	(0.1p)
F-7	IIF Sagami R&D Center	3,334	+1,085	4,420	(240)	(5.2%)	4,660	5.7%	5.5%	5.9%	0.0p	0.0p	0.0p
F-8	IIF Yokohama Shinyamashita R&D Center	3,832	+407	4,240	+10	+0.2%	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	4.7%	4.0%	5.1%	(0.1p)	0.0p	0.0p
F-11	IIF Yokosuka Technology Center	4,235	+254	4,490	+10	+0.2%	4,480	5.6%	5.3%	5.7%	0.0p	0.0p	0.0p
F-12	IIF Shonan Technology Center	1,303	+36	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	+176	1,870	+10	+0.5%	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	+314	5,320	+30	+0.6%	5,290	5.0%	5.0%	-	0.0p	0.0p	-
F-16	IIF Tsukuba Manufacturing Center (land with leasehold interest)	957	+362	1,320	-	0.0%	1,320	-	5.0%	-	-	0.0p	-
F-17	IIF Shin-Kawasaki R&D Center	6,583	+1,956	8,540	+30	+0.4%	8,510	5.4%	5.1%	5.5%	0.0p	0.0p	0.0p
F-18	IIF Ichikawa Food Processing Center	6,408	(68)	6,340	+10	+0.2%	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)	249	+14	264	-	0.0%	264	4.5%	4.3%	4.7%	0.0p	0.0p	0.0p
<b>Manufacturing and R&amp;D Facilities Total</b>		<b>63,643</b>	<b>+8,710</b>	<b>72,354</b>	<b>(120)</b>	<b>(0.2%)</b>	<b>72,474</b>						
I-1	IIF Kobe District Heating and Cooling Center	15,894	(1,394)	14,500	(100)	(0.7%)	14,600	4.4%	3.6%	4.6%	0.0p	0.0p	0.0p
I-2	IIF Haneda Airport Maintenance Ceter	37,986	+3,313	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	5,043	+486	5,530	-	0.0%	5,530	7.2%	5.8%	7.8%	0.0p	0.0p	0.0p
I-4	IIF Shinagawa Data Center	5,296	+1,643	6,940	+70	+1.0%	6,870	4.6%	4.8%	5.1%	(0.1p)	0.0p	(0.1p)
I-5	IIF Osaka Toyonaka Data Center	5,537	+802	6,340	+330	+5.5%	6,010	6.2%	4.9%	5.4%	0.0p	0.0p	0.0p
I-6	IIF Osaka Nanko IT Solution Center	1,193	+1,236	2,430	-	0.0%	2,430	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	7,910	(740)	7,170	+40	+0.6%	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	+26	756	+1	+0.1%	755	-	4.9%	-	-	0.0p	-
<b>Infrastructure Facilities Total</b>		<b>81,589</b>	<b>+5,616</b>	<b>87,206</b>	<b>+341</b>	<b>+0.4%</b>	<b>86,865</b>						
<b>Portfolio Total (Note 4)</b>		<b>297,921</b>	<b>+58,079</b>	<b>356,001</b>	<b>+4,662</b>	<b>+1.3%</b>	<b>351,339</b>						

(Note 1) "Appraisal Value as of the End of Period", "Capitalization Rate (Direct Capitalization Method)", "Discount Rate (DCF Method)" and "Terminal Capitalization Rate (DCF Method)" refer to figures provided in the respective appraisal reports (or research report) as of Jan. 31, 2020. The same shall apply hereinafter.

(Note 2) "Unrealized Capital gain" is the difference between appraisal value and book value. There is no assurance that such figure may realize. The same shall apply hereinafter.

(Note 3) "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 4) IIF Atsugi Logistics Center disposed on Aug. 1, 2019 is not included.

## Appraisal Values (3) (New Properties Acquired / to be Acquired)

### New Properties Acquired / to be Acquired in the July 2020 (26<sup>th</sup>) Period

Property Number	Name of Property	Anticipated Acquisition Price (JPY mn)	Appraisal Value (JPY mn) <sup>(Note 1)</sup>	Estimated Capital Gain (JPY mn)	Capitalization Rate by Direct Capitalization Method <sup>(Note 1)</sup>	Discount Rate by DCF Method <sup>(Note 1)</sup>	Terminal Capitalization Rate by DCF Method <sup>(Note 1)(Note 2)</sup>	Date of Appraisal Value
L-49	IIF Hiroshima Seifushinto Logistics Center	6,208	6,870	+661	4.9%	4.8%	5.1%	Jan. 31, 2020
Logistics Facilities Total		6,208	6,870	+661				
F-15	IIF Atsugi Manufacturing Center (Note 3)	11,900	16,200	+4,300	4.2%	3.9%	4.3%	Jan. 31, 2020
F-20	IIF Yokohama Tsuzuki R&D Center (Note 4)	5,900	6,350	+450	4.6%	Until 5th 4.5% From 6th to 10th 4.6% After 11th 4.7%	4.8%	Jan. 31, 2020
F-21	IIF Okazaki Manufacturing Center (land with leasehold interest)	3,930	4,190	+260	-	Until 5th 4.4% After 6th 4.5%	-	Jan. 31, 2020
Manufacturing and R&D Facilities Total		21,730	26,740	+5,010				
Total Properties Acquired / to be Acquired in the 26th fiscal period		27,938	33,610	+5,671				

(Note 1) "Appraisal Value", "Capitalization Rate (Direct Capitalization Method)", "Discount Rate (DCF Method)" and "Terminal Capitalization Rate (DCF Method)" refer to figures provided in the respective appraisal reports as of Jan. 31, 2020.

(Note 2) Terminal Capitalization Rate is not applied for IIF Okazaki Manufacturing Center since the land is expected to be cleared after the lease term ends as stipulated in the fixed-term leasehold agreement for business.

(Note 3) IIF Atsugi Manufacturing Center refers to entire property of land and building.

(Note 4) IIF already acquired IIF Yokohama Tsuzuki R&D Center on Mar. 2, 2020.

### Appraisal Values for the entire portfolio (after new acquisition)

Asset Category	Appraisal Value(JPY MM)
Logistics Facilities	203,311
Manufacturing and R&D Facilities	93,774
Infrastructure Facilities	87,206
Portfolio Total	384,291

# Performance by Property (1)

(JPY mn.)

Item	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II)		L11 (Atsugi II)	
	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 1day	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days
Days																		
Rent	397	397			179	179			75	75								
Others	2	5			-	11			0	0								
Total rental business income	400	403			179	190			75	75								
Taxes and public dues	31	30			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	Not Disclosed	Not Disclosed
Repair expenses	1	8			0	3			0	0								
Insurance cost and trust fee	0	0			0	0			0	0								
Others	0	0			0	0			0	1								
Total rental business expenses	34	40			18	21			5	6								
NOI	365	362	209	208	160	169	32	0	70	69	91	82	37	37	172	176	112	113
Depreciation and amortization	43	43	50	50	12	12	21	1	26	26	20	20	-	-	8	8	19	19
Rental business profit	322	318	158	158	148	157	10	(1)	43	43	71	61	37	37	164	168	93	94
Total deposits (Ending balance)	1,140	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	Not Disclosed	Not Disclosed

Item	L12 (Yokohama Tsuzuki)		L13 (Saitama)		L14 (Nagoya)		L15 (Atsugiii)		L16 (Kawaguchi)		L17 (Kobe)		L18 (Higashi Osaka)		L19 (Kashiwa)		L20 (Misato)	
	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days
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	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
Repair expenses			-	0														
Insurance cost and trust fee			0	0														
Others			1	1														
Total rental business expenses			4	5														
NOI	69	65	62	61	35	42	76	83	106	110	180	180	98	89	74	73	116	117
Depreciation and amortization	8	9	11	11	6	6	10	11	9	11	21	21	12	12	10	10	16	16
Rental business profit	60	55	51	50	29	35	65	72	96	99	159	158	85	77	64	63	100	100
Total deposits (Ending balance)	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	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	L21 (Iruma)		L22 (Tosu)		L23 (Inzai)		L24 (Morioka)		L25 (Hiroshima)		L26 (Izumiotstu)		L27 (Izumisano)		L28 (Kyotanabe)		L29 (Fukuoka Koga)	
	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days
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						
Repair expenses																		
Insurance cost and trust fee																		
Others																		
Total rental business expenses																		
NOI	105	104	53	53	37	37	38	38	120	120	111	111	29	26	172	174	27	27
Depreciation and amortization	22	22	8	8	5	5	5	5	25	25	0	0	8	8	32	32	-	-
Rental business profit	82	82	44	44	31	31	32	32	95	95	111	111	21	18	140	142	27	27
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						

# Performance by Property(2)

(JPY mn.)

Item	L30 (Fukuoka Higashi)		L31 (Osaka Konohana)		L32 (Kazo)		L33 (Hamura)		L34 (Fukuoka Hakozaki I )		L35 (Fukuoka Hakozaki II )		L36 (Itabashi)		L37 (Sendai Taiwa)		L38 (Ota)	
	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th
Days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days
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	Not Disclosed	Not Disclosed
Repair expenses																		
Insurance cost and trust fee																		
Others																		
Total rental business expenses																		
NOI	51	51	218	212	67	67	19	21	124	118	239	233	39	38	46	46	33	33
Depreciation and amortization	4	4	33	33	8	8	4	4	24	24	47	48	6	6	8	8	4	4
Rental business profit	46	46	185	179	59	59	15	16	100	93	191	185	32	31	37	37	29	29
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Item	L39 (Osaka Suminoe I )		L40 (Osaka Suminoe II )		L41 (Morioka II )		L42 (Sapporo)		L43 (Hitachinaka Port)		L44 (Koriyama)		L45 (Kobe-nishi)		L46 (Hyogo Tatsuno)		L47 (Akishima)	
	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th
Days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	59days	184days	59days	184days
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	Not Disclosed	Not Disclosed
Repair expenses																		
Insurance cost and trust fee																		
Others																		
Total rental business expenses																		
NOI	275	253	70	59	40	39	60	65	28	27	101	96	43	40	38	118	61	177
Depreciation and amortization	53	54	8	8	5	5	7	7	-	-	22	22	-	-	6	18	4	15
Rental business profit	221	198	62	50	35	33	53	57	28	27	78	73	43	40	31	99	56	161
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Item	L48 (Gifu Kakamigahara)		F1 (Totsuka TC)		F2 (Yokohama Tsuzuki)		F3 (Mitaka)		F5 (Kamata)		F6 (Kawasaki)		F7 (Sagamihara)		F8 (Shinyamashita)		F9 (Kakegawa)	
	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th	24th	25th
Days	-days	44days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days
Rent			154	154	59	59	364	364										
Others			0	0	-	-	0	5										
Total rental business income			154	154	59	59	364	370										
Taxes and public dues			16	16	8	8	47	48										
Management expenses	-	Not Disclosed	-	-	6	6	3	3	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Repair expenses			-	-	4	0	1	2										
Insurance cost and trust fee			0	0	0	0	0	0										
Others			0	0	1	0	1	1										
Total rental business expenses			17	17	21	16	54	56										
NOI	-	19	137	137	38	43	310	314	238	238	82	82	135	159	104	104	42	42
Depreciation and amortization	-	7	-	-	6	7	57	60	32	33	23	23	17	19	19	19	-	-
Rental business profit	-	12	137	137	31	35	252	253	206	204	58	58	118	139	84	84	42	42
Total deposits (Ending balance)	-	Not Disclosed	276	276	92	92	182	182	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

# Performance by Property(3)

(JPY mn.)

Item	F10 (Urayasu)		F11 (Yokosuka)		F12 (Shonan)		F13 (Hiroshima)		F14 (Totsuka MC)		F15 (Atsugi)		F16 (Tsukuba)		F17 (Shin-Kawasaki)		F18 (Ichikawa)	
	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 59days	25th 184days	24th 59days	25th 184days
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	Not Disclosed	
Repair expenses																		
Insurance cost and trust fee																		
Others																		
Total rental business expenses																		
NOI	37	37	143	141	39	40	54	49	61	57	128	124	38	38	64	200	48	150
Depreciation and amortization	-	-	13	14	4	4	-	-	-	-	-	-	-	-	11	35	4	12
Rental business profit	37	37	130	127	35	36	54	49	61	57	128	124	38	38	52	164	43	138
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed

Item	F19 (Gifu Kakamigahara)		I1 (Kobe)		I2 (Haneda)		I3 (Zama)		I4 (Shinagawa)		I5 (Osaka Toyonaka)		I6 (Osaka Nanko)		I7 (Nagoya Port)		I8 (Shinagawa ITSC)	
	24th 16days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days	24th 181days	25th 184days
Rent			332	332	1,423	1,427												
Others			0	0	22	15												
Total rental business income			332	332	1,445	1,442												
Taxes and public dues			11	11	78	78												
Management expenses	Not Disclosed	Not Disclosed	0	0	0	0	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	
Repair expenses			0	1	-	-												
Insurance cost and trust fee			1	1	4	4												
Others			1	1	401	406												
Total rental business expenses			14	16	485	489												
NOI	0	7	318	316	960	953	201	201	178	175	204	230	73	73	62	62	153	179
Depreciation and amortization	-	-	131	131	252	257	36	36	42	43	29	29	9	9	-	-	40	42
Rental business profit	0	7	186	184	707	695	165	165	136	131	174	200	63	63	62	62	113	137
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	2,159	2,159	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

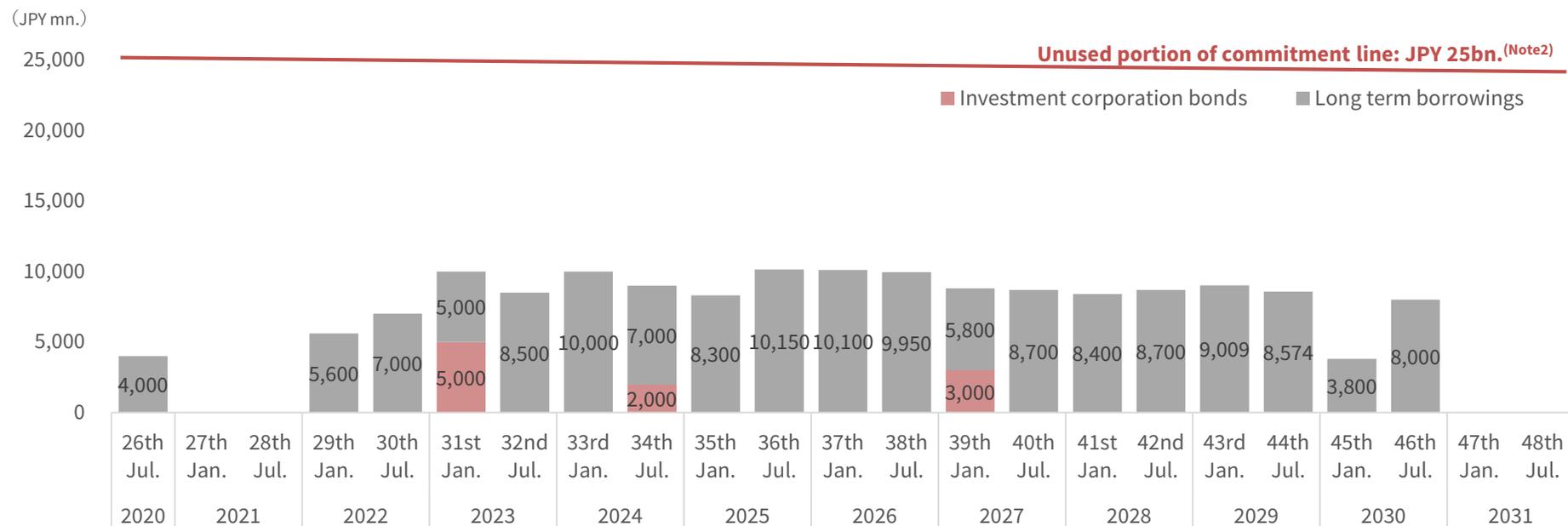
Item	I9 (Higashimatsuyama)		24th (Actual)	25th (Actual)
	24th 181days	25th 184days		
Rent			9,661	10,136
Others			470	425
Total rental business income			10,131	10,562
Taxes and public dues			835	870
Management expenses	Not Disclosed	Not Disclosed	164	146
Repair expenses			97	87
Insurance cost and trust fee			39	41
Others			787	776
Total rental business expenses			1,923	1,921
NOI	18	18	8,207	8,640
Depreciation and amortization	-	-	1,404	1,471
Rental business profit	18	18	6,803	7,169
Total deposits (Ending balance)	Not Disclosed	Not Disclosed	11,377	11,359

# Debt Stability (1) (As of January 31, 2020)

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

Average borrowing period	Fixed debt ratio	Weighted average interest rate	Issuer credit rating (JCR)
9.4 years	100.0%	0.86%	AA (Stable)

## Diversification of Debt Maturities



(Note1) Outstanding balance as of Jan. 31, 2020 is described

(Note2) Contracted a new commitment line with a maximum borrowing of 5 billion yen on September 11, 2019

# Debt Stability (2) (As of January 31, 2020)

## Lender Status

Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
	Lender	Breakdown						
Mizuho Bank, Ltd.	1,500	1,500	Mar. 30, 2012	1.56100	Mar. 31, 2020	Fixed (Note 4)	8 years	0.2 years
Development Bank of Japan Inc.	1,000	1,000		2.22000	Mar. 29, 2024	Fixed	12 years	4.2 years
Development Bank of Japan Inc.	2,000	2,000		1.90000	Mar. 29, 2022	Fixed	10 years	2.2 years
Sumitomo Mitsui Banking Corporation	500	500	Jun. 29, 2012	1.90500	Mar. 31, 2022	Fixed (Note 4)	10 years	2.2 years
Nippon Life Insurance Company	1,000	1,000		1.42000	Jun. 30, 2020	Fixed	8 years	0.4 years
Development Bank of Japan Inc.	1,000	1,000		1.83000	Feb. 5, 2025	Fixed	12 years	5.0 years
MUFG Bank, Ltd.	2,534	3,500	Feb. 6, 2013	1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.0 years
Sumitomo Mitsui Trust Bank, Limited	966	500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.0 years
Sumitomo Mitsui Banking Corporation	500	500		1.48980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.0 years
Mizuho Bank, Ltd.	1,000	1,000		1.55000	Feb. 6, 2023	Fixed	10 years	3.0 years
Nippon Life Insurance Company	500	500		1.38980	Feb. 6, 2023	Fixed (Note 4)	10 years	3.0 years
Shinsei Bank, Limited	500	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	2.0 years
MUFG Bank, Ltd.	362	500		1.22750	Feb. 4, 2022	Fixed (Note 4)	9 years	2.0 years
Sumitomo Mitsui Trust Bank, Limited	138	500		1.75000	Jun. 28, 2024	Fixed	11 years	4.4 years
Sumitomo Mitsui Banking Corporation	500	500		1.68475	Jun. 30, 2023	Fixed (Note 4)	10 years	3.4 years
Nippon Life Insurance Company	2,000	2,000		1.64650	Jun. 30, 2022	Fixed (Note 4)	9 years	2.4 years
Mizuho Bank, Ltd.	1,500	1,500	Jun. 28, 2013	1.24050	Jun. 30, 2020	Fixed (Note 4)	7 years	0.4 years
The Nomura Trust and Banking Co., Ltd.	500	1,500						
Resona Bank, Limited	500	1,500						
THE YAMAGUCHI BANK, Ltd.	500	1,500						
MUFG Bank, Ltd.	7,500	7,500	Oct. 18, 2013	1.40200	Oct. 18, 2023	Fixed (Note 4)	10 years	3.7 years
Sumitomo Mitsui Banking Corporation	2,000	2,000	Dec. 30, 2013	1.38025	Dec. 29, 2023	Fixed (Note 4)	10 years	3.9 years
MUFG Bank, Ltd.	700	700	Feb. 6, 2014	1.31000	Aug. 6, 2024	Fixed	10.5 years	4.5 years
Sumitomo Mitsui Banking Corporation	900	900		1.24100	Feb. 6, 2024	Fixed (Note 4)	10 years	4.0 years
THE YAMAGUCHI BANK, Ltd.	500	500		1.14000	Aug. 4, 2023	Fixed	9.5 years	3.5 years
THE NISHI-NIPPON CHITIBANK, LTD.	500	500		1.03150	Aug. 5, 2022	Fixed (Note 4)	8.5 years	2.5 years
MUFG Bank, Ltd.	868	1,200		0.92790	Feb. 4, 2022	Fixed (Note 4)	8 years	2.0 years
Sumitomo Mitsui Trust Bank, Limited	331	1,200						
Development Bank of Japan Inc.	1,000	1,000	Mar. 13, 2014	1.67000	Mar. 13, 2026	Fixed	12 years	6.1 years
MUFG Bank, Ltd.	724	1,000		1.68675	Mar. 13, 2026	Fixed (Note 4)	12 years	6.1 years
Sumitomo Mitsui Trust Bank, Limited	276	1,000						
MUFG Bank, Ltd.	1,158	1,600	Mar. 13, 2014	1.27175	Mar. 13, 2024	Fixed (Note 4)	10 years	4.1 years
Sumitomo Mitsui Trust Bank, Limited	441	1,600						
MUFG Bank, Ltd.	1,350	1,350	Mar. 16, 2015	0.98000	Mar. 14, 2025	Fixed	10 years	5.1 years
Shinsei Bank, Limited	850	850		1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	5.1 years
Mizuho Trust & Banking Co., Ltd.	850	850		1.01740	Mar. 14, 2025	Fixed (Note 4)	10 years	5.1 years
MUFG Bank, Ltd.	2,570	3,550		0.92990	Sep. 13, 2024	Fixed (Note 4)	9.5 years	4.6 years
Sumitomo Mitsui Trust Bank, Limited	979	3,550						
The Chugoku Bank, Ltd.	700	700		0.66090	Sep. 15, 2022	Fixed (Note 4)	7.5 years	2.6 years

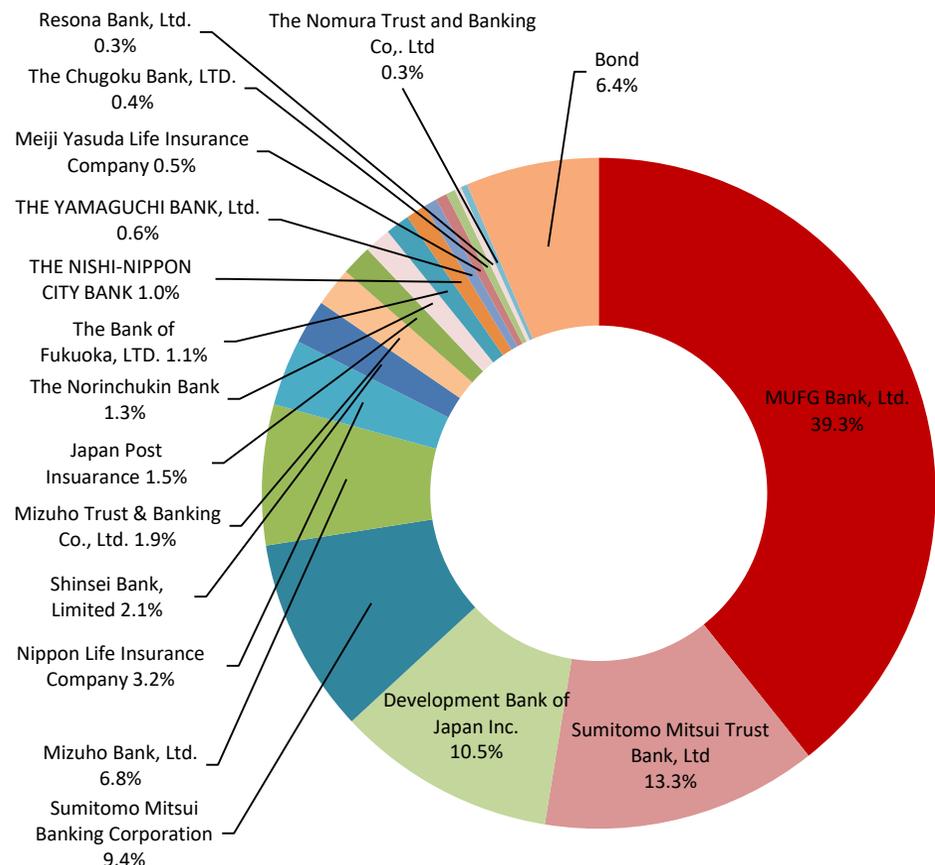
Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
	Lender	Breakdown						
Development Bank of Japan Inc.	1,000	1,000	Mar. 31, 2015	1.26000	Mar. 31, 2027	Fixed	12 years	7.2 years
Meiji Yasuda Life Insurance Company	850	850		1.19000	Mar. 31, 2026	Fixed	11 years	6.2 years
Sumitomo Mitsui Trust Bank, Limited	1,500	1,500		0.98000	Mar. 31, 2025	Fixed	10 years	5.2 years
MUFG Bank, Ltd.	832	1,150	Apr. 15, 2016	0.91900	Sep. 30, 2024	Fixed (Note 4)	9.5 years	4.7 years
Sumitomo Mitsui Trust Bank, Limited	317	1,150						
Mizuho Bank, Ltd.	800	800		0.54500	Mar. 31, 2026	Fixed (Note 4)	10 years	6.2 years
The Bank of Fukuoka, LTD.	800	800	Aug. 31, 2016	0.50130	Mar. 31, 2026	Fixed	10 years	6.2 years
MUFG Bank, Ltd.	2,000	2,000		0.44000	Aug. 31, 2026	Fixed	10 years	6.6 years
MUFG Bank, Ltd.	1,600	1,600	Feb. 17, 2017	0.48500	Aug. 15, 2025	Fixed	8.5 years	5.5 years
MUFG Bank, Ltd.	3,255	4,500	Mar. 6, 2017	0.62977	Mar. 6, 2026	Fixed	9 years	6.1 years
Sumitomo Mitsui Trust Bank, Limited	1,244	4,500						
MUFG Bank, Ltd.	2,170	3,000		0.67606	Sep. 4, 2026	Fixed	9.5 years	6.6 years
Sumitomo Mitsui Trust Bank, Limited	829	3,000						
Sumitomo Mitsui Banking Corporation	1,500	1,500		0.49750	Mar. 6, 2025	Fixed	8 years	5.1 years
MUFG Bank, Ltd.	2,099	2,900	Mar. 17, 2017	0.60233	Sep. 17, 2025	Fixed	8.5 years	5.6 years
Sumitomo Mitsui Trust Bank, Limited	800	2,900						
MUFG Bank, Ltd.	1,000	1,000		0.53000	Mar. 17, 2026	Fixed	9 years	6.1 years
Development Bank of Japan Inc.	1,000	1,000	Mar. 17, 2017	0.86600	Mar. 16, 2029	Fixed	12 years	9.1 years
Sumitomo Mitsui Banking Corporation	1,500	1,500		0.50500	Mar. 17, 2025	Fixed	8 years	5.1 years
Mizuho Bank, Ltd.	1,000	1,000		0.63300	Mar. 17, 2027	Fixed	10 years	7.1 years
THE NISHI-NIPPON CHITIBANK, LTD.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	7.1 years
Mizuho Trust & Banking Co., Ltd.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	7.1 years
The Bank of Fukuoka, LTD.	1,000	1,000		0.68000	Mar. 17, 2027	Fixed	10 years	7.1 years
The Norinchukin Bank	1,000	1,000		0.50500	Mar. 17, 2025	Fixed	8 years	5.1 years
MUFG Bank, Ltd.	4,054	5,600		0.57171	Sep. 30, 2025	Fixed	8.5 years	5.7 years
Sumitomo Mitsui Trust Bank, Limited	1,545	5,600						
MUFG Bank, Ltd.	1,000	1,000	Mar. 31, 2017	0.65500	Mar. 31, 2027	Fixed	10 years	7.2 years
Sumitomo Mitsui Banking Corporation	600	600		0.48500	Mar. 31, 2025	Fixed	8 years	5.2 years
Shinsei Bank, Limited	1,000	1,000		0.65500	Mar. 31, 2027	Fixed	10 years	7.2 years
Development Bank of Japan Inc.	1,300	1,300	Sep. 29, 2017	0.83800	Mar. 30, 2029	Fixed	12 years	9.2 years
Mizuho Bank, Ltd.	1,200	1,200		0.63500	Mar. 31, 2027	Fixed	10 years	7.2 years
MUFG Bank, Ltd.	2,791	3,800	Sep. 29, 2017	0.34451	Sep. 30, 2022	Fixed	5 years	2.7 years
Sumitomo Mitsui Trust Bank, Limited	1,009	3,800						
MUFG Bank, Ltd.	2,938	4,000		0.67599	Sep. 30, 2027	Fixed	10 years	7.7 years
Sumitomo Mitsui Trust Bank, Limited	1,062	4,000						
MUFG Bank, Ltd.	2,791	3,800	Feb. 1, 2018	0.86109	Sep. 30, 2029	Fixed	12 years	9.7 years
Sumitomo Mitsui Trust Bank, Limited	1,009	3,800						
MUFG Bank, Ltd.	2,099	2,900	Feb. 1, 2018	0.48077	Aug. 1, 2024	Fixed	6.5 years	4.5 years
Sumitomo Mitsui Trust Bank, Limited	800	2,900						
JAPAN POST INSURANCE Co., Ltd.	2,300	2,400		0.88100	Feb. 1, 2030	Fixed	12 years	10.0 years
Sumitomo Mitsui Trust Bank, Limited	100	2,400						
Mizuho Bank, Ltd.	700	700		0.67900	Feb. 1, 2028	Fixed	10 years	8.0 years

# Debt Stability (3) (As of January 31, 2020)

## Lender Status

	Classification	Outstanding Balance (JPY mn.)(Note 1)(Note 2)		Date of Borrowing	Interest Rate (Note 3) (%)	Maturity date	Fixed/ Variable	Borrowing term	Remaining period (Note 5)
		Breakdown	Total						
Long-term borrowing	Development Bank of Japan Inc.	2,500	2,500	Feb. 27, 2017	0.70100	Aug. 31, 2028	Fixed	10.5 years	8.6 years
	Development Bank of Japan Inc.	2,500	2,500		0.85000	Feb. 28, 2030	Fixed	12 years	10.1 years
	Development Bank of Japan Inc.	400	400	Mar. 7, 2018	0.69600	Sep. 7, 2028	Fixed	10.5 years	8.6 years
	Sumitomo Mitsui Banking Corporation	400	400		0.59800	Sep. 7, 2027	Fixed	9.5 years	7.6 years
	Mizuho Bank, Ltd.	400	400	Mar. 7, 2018	0.64600	Mar. 7, 2028	Fixed	10 years	8.1 years
	Mizuho Trust & Banking Co., Ltd.	1,100	1,100		0.64600	Mar. 7, 2028	Fixed	10 years	8.1 years
	MUFG Bank, Ltd.	1,808	2,500	Mar. 9, 2018	0.34085	Sep. 9, 2021	Fixed	3.5 years	1.6 years
	Sumitomo Mitsui Trust Bank, Limited	692			0.70243	Mar. 9, 2028	Fixed	10 years	8.1 years
	MUFG Bank, Ltd.	3,618	5,000	Mar. 9, 2018	0.80315	Mar. 9, 2029	Fixed	11 years	9.1 years
	Sumitomo Mitsui Trust Bank, Limited	1,382			0.33529	Sep. 30, 2021	Fixed	3.5 years	1.7 years
	MUFG Bank, Ltd.	724	1,000	Mar. 30, 2018	0.63050	Sep. 30, 2027	Fixed	9.5 years	7.7 years
	Sumitomo Mitsui Trust Bank, Limited	276			0.67500	Sep. 29, 2028	Fixed	10.5 years	8.7 years
	MUFG Bank, Ltd.	796	1,100	Mar. 29, 2019	0.29800	Sep. 30, 2021	Fixed	3.5 years	1.7 years
	Sumitomo Mitsui Trust Bank, Limited	303			0.57800	Sep. 30, 2027	Fixed	9.5 years	7.7 years
	MUFG Bank, Ltd.	434	600	Mar. 29, 2019	0.62500	Mar. 31, 2028	Fixed	10 years	8.2 years
	Sumitomo Mitsui Trust Bank, Limited	165			0.38500	Sep. 30, 2027	Fixed	8.5 years	7.7 years
	Development Bank of Japan Inc.	1,200	1,200	Mar. 29, 2019	0.45000	Sep. 29, 2028	Fixed	9.5 years	8.7 years
	Sumitomo Mitsui Banking Corporation	1,000	1,000		0.51000	Mar. 29, 2029	Fixed	10 years	9.2 years
	Sumitomo Mitsui Banking Corporation	600	600	Mar. 29, 2019	0.45792	Mar. 31, 2027	Fixed	8 years	7.2 years
	Mizuho Bank, Ltd.	500	500		0.20500	Mar. 29, 2024	Fixed	5 years	4.2 years
	MUFG Bank, Ltd.	1,000	1,000	May 31, 2019	0.21000	Nov. 30, 2021	Fixed	2.5 years	1.8 years
	MUFG Bank, Ltd.	900	900		0.41000	Nov. 30, 2028	Fixed	9.5 years	8.8 years
	MUFG Bank, Ltd.	1,000	1,000	Jun. 28, 2019	0.24875	May. 31, 2022	Fixed	3 years	2.3 years
	MUFG Bank, Ltd.	3,274	3,274		0.35890	Nov. 30, 2026	Fixed	7.5 years	6.8 years
	Sumitomo Mitsui Trust Bank, Limited	500	500	Sep. 30, 2019	0.36800	Nov. 30, 2027	Fixed	8.5 years	7.8 years
	Sumitomo Mitsui Banking Corporation	1,500	1,500		0.43300	Nov. 30, 2028	Fixed	9.5 years	8.8 years
	MUFG Bank, Ltd.	1,000	1,000	Jun. 28, 2019	0.56100	May. 31, 2030	Fixed	11 years	10.3 years
	MUFG Bank, Ltd.	900	900		0.40800	May. 31, 2028	Fixed	9 years	8.3 years
	Sumitomo Mitsui Trust Bank, Limited	800	800	Sep. 30, 2019	0.46900	May. 31, 2029	Fixed	10 years	9.3 years
	Sumitomo Mitsui Trust Bank, Limited	800	800		0.56100	May. 31, 2030	Fixed	11 years	10.3 years
	Sumitomo Mitsui Banking Corporation	800	800	Sep. 30, 2019	0.34400	Aug. 2, 2027	Fixed	8.2 years	7.5 years
	Sumitomo Mitsui Banking Corporation	800	800		0.46900	May. 31, 2029	Fixed	10 years	9.3 years
	Development Bank of Japan Inc.	1,600	1,600	Jun. 28, 2019	0.46000	Nov. 30, 2028	Fixed	9.4 years	8.8 years
Mizuho Bank, Ltd.	1,000	1,000	0.27630		Sep. 29, 2028	Fixed	9 years	8.7 years	
Mizuho Bank, Ltd.	1,000	1,000	Jun. 26, 2014	0.40000	Dec. 25, 2026	Fixed	10 years	6.9 years	
Mizuho Bank, Ltd.	1,000	1,000							
Nippon Life Insurance Company	1,500	1,500							
The Norinchukin Bank	1,000	1,000							
Shinsei Bank, Limited	1,000	1,000							
MUFG Bank, Ltd.	583	583							
Sumitomo Mitsui Banking Corporation	1,626	1,626							
Investment corporation bonds	Second series unsecured investment corporation bonds	5,000	5,000	Dec. 27, 2012	1.40000	Dec. 27, 2022	Fixed	10 years	2.9 years
	Third series unsecured investment corporation bonds	2,000	2,000	Jun. 26, 2014	0.89000	Jun. 26, 2024	Fixed	10 years	4.4 years
	Fourth series unsecured investment corporation bonds	3,000	3,000	Dec. 26, 2016	0.40000	Dec. 25, 2026	Fixed	10 years	6.9 years
Total / Average		156,583	156,583		0.86			9.4 years	5.7 years

## Breakdown of Lender Formation



(Note 1) Outstanding balance as of Jan. 31, 2020 is described. The same shall apply hereinafter.

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

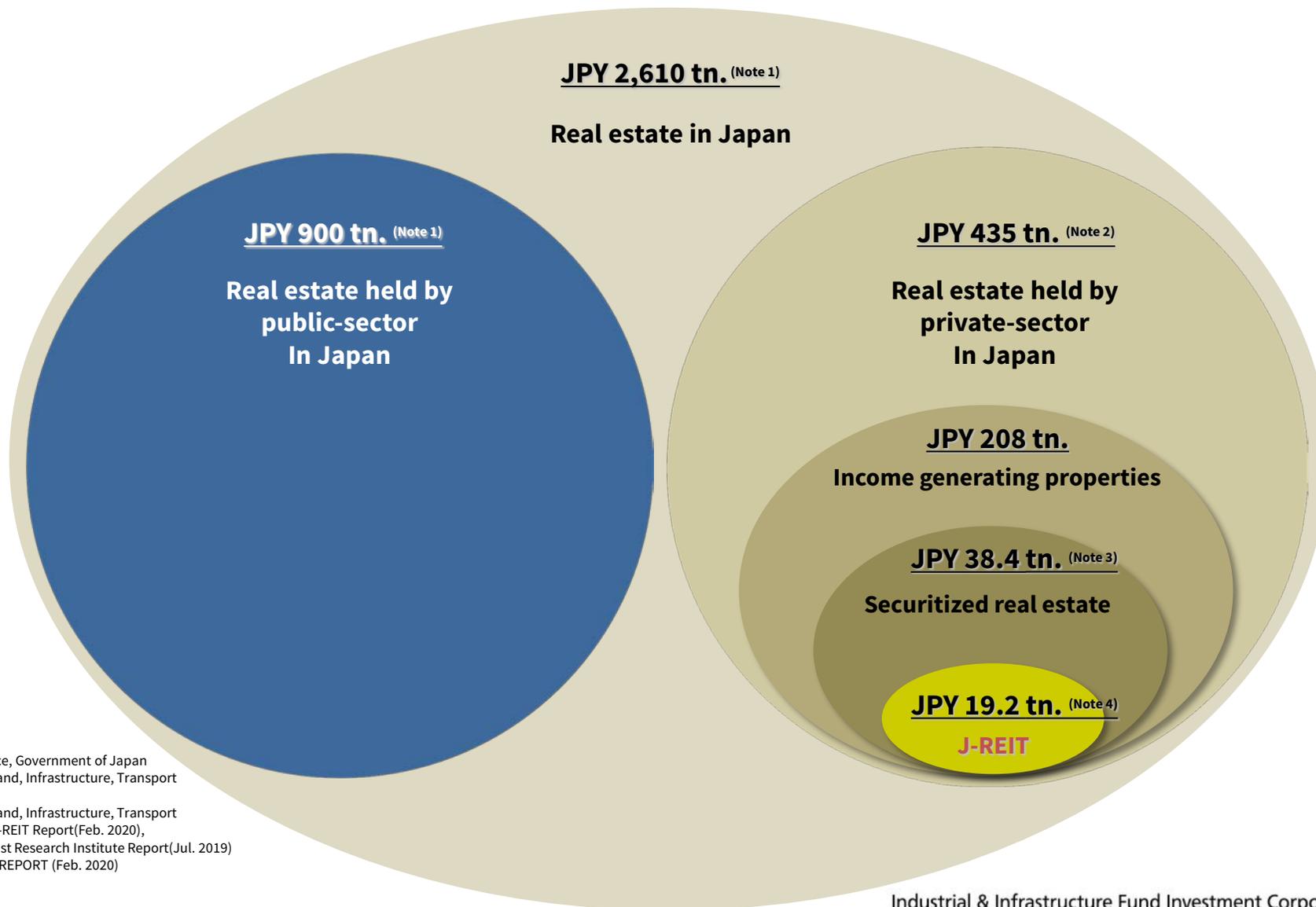
(Note 3) The applicable rate is based on the interest rate as of Jan. 31, 2020 . The same shall apply hereinafter.

(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, 2020. The average is calculated by weighting the remaining term of each borrowing according to the borrowing amount. 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

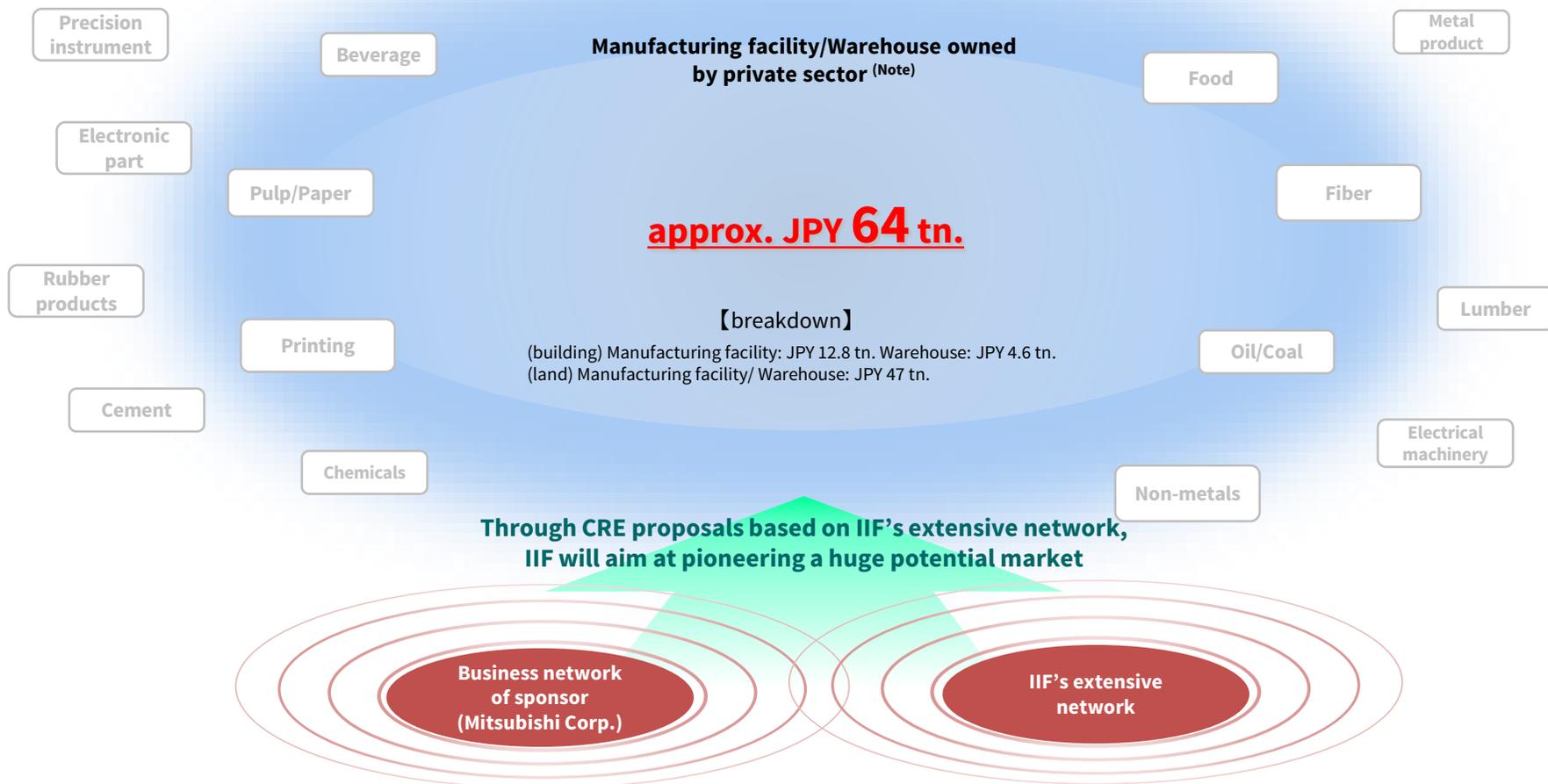


(Note1) Source: Cabinet Office, Government of Japan  
(Note2) Source: Ministry of Land, Infrastructure, Transport and Tourism  
(Note3) Source: Ministry of Land, Infrastructure, Transport and Tourism, ARES J-REIT Report(Feb. 2020), Sumitomo Mitsui Trust Research Institute Report(Jul. 2019)  
(Note4) Source: ARES J-REIT REPORT (Feb. 2020)

# Potentials of Manufacturing Facility Investments

Continuously lead acquisition of the high potential manufacturing facility market

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



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

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

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

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# IIF's Main Manufacturing and R&D Facilities

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

		Portfolio			NOI Yield <sup>(Note1)</sup> (NOI Yield after Depreciation)	1. Acquisition Price <sup>(Note2)</sup> (million yen)	2. Appraisal Value (%) <sup>(Note3)</sup>	Contract Term <sup>(Note4)</sup> (Remaining Term)
Name of Property		Pictures	Date of Acquisition	Type of Ownersh	<b>DPU Growth</b>		<b>NAV Growth</b>	<b>Stable DPU</b>
Manufacturing Facilities	<b>Development Project</b> IIF Atsugi Manufacturing Center		Land. 2018/4 Build. 2020/6 (planned)	Land & Building	5.6% (4.4%)	Land. 4,940 Build. 6,960	16,200 (+36.1%)	15.4 years (14.3years)
	IIF Totsuka Manufacturing Center (land with leasehold interest)		2018/3	Land	5.0% (5.0%)	2,300	2,590 (+7.3%)	50.0years (47.6years)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)		2018/3	Land	6.2% (6.2%)	1,608	1,870 (+10.5%)	20.0years (16.7years)
	IIF Yokosuka Technology Center		2017/2	Land & Building	7.1% (6.4%)	4,000	4,490 (+6.0%)	10.0years (6.1years)
	IIF Shonan Technology Center		2017/2	Land & Building	6.8% (6.1%)	1,200	1,340 (+2.8%)	10.0years (6.1years)
	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)		2016/3	Land	5.7% (5.7%)	1,300	1,660 (+23.4%)	49.0years (44.7years)
	IIF Yokohama Tsuzuki R&D Center		2020/3	Land & Building	5.9% (4.9%)	5,900	6,350 (+7.6%)	10.0years (9.3years)
R&D	IIF Shin-kawasaki R&D Center		2019/6	Land & Building	6.4% (5.2%)	6,300	8,540 (+29.7%)	10.0years (9.7years)
	IIF Sagamihara R&D Center		2015/3	Land & Building	10.0% (9.0%)	3,100	4,420 (+32.6%)	9.9years (7.3years)
	<b>Development Project</b> IIF Kawasaki Science Center		Land. 2013/2 Build. 2014/5	Land & Building	7.6% (5.4%)	2,168	3,000 (+50.6%)	15.0years (8.8years)
	IIF Yokohama Tsuzuki Technology Center		2010/12	Land & Building	7.8% (6.5%)	1,100	1,340 (+6.8%)	22.0years (10.2years)
	IIF Totsuka Technology Center (land with leasehold interest)		2010/3	Land	6.1% (6.1%)	4,500	5,380 (+18.2%)	30.0years (19.7years)
<b>(Reference) Portfolio Total</b>					<b>5.8% (4.8%)</b>	<b>323,566</b>	<b>384,291 (+19.8%)</b>	<b>15.3 years (8.0 years)</b>

(Note 1) The figure used for the calculation of NOI is the actual net operating income in the 25<sup>th</sup> fiscal period annualized by multiplying by 2. With respect to the anticipated acquisition, NOI is calculated by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of Jan. 31, 2020. If special circumstances are expected in the first year, the second or later year net revenue is used. “Depreciation” is calculated based on the actual depreciation in the 25<sup>th</sup> fiscal period annualized by multiplying by 2. “Depreciation” of the anticipated acquisition is calculated by annualizing an estimate for the fiscal period ending in January 2021.

(Note 2) “Acquisition Price” of the anticipated acquisition is anticipated acquisition price.

(Note 3) Percentile means the unrealized gain ratio. Unrealized gain is the difference between appraisal value as of Jan. 31, 2020 and book value. With respect to the anticipated acquisition, Unrealized gain is the difference between appraisal value as of Jan. 31, 2020 and anticipated acquisition price. Unrealized gain ratio is derived by dividing unrealized gain by book value. With respect to the anticipated acquisition. Unrealized gain ratio is derived by dividing unrealized gain by anticipated acquisition price. IIF Atsugi Manufacturing Center refers to entire property of land and building. There is no assurance that such figure may realize. The same shall apply hereinafter.

(Note 4) “Contact Term” is as of Jul.15, 2020.

# IIF's Main Land with Leasehold Interest

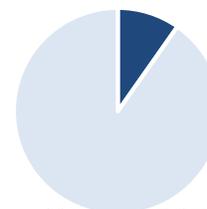
■ Mainly acquire land and property for all asset type but also invest in land with leasehold interest in accordance with versatility of property

Portfolio			NOI Yield (NOI Yield after Depreciation) <b>DPU Growth</b>	1. Acquisition Price (million yen)	2. Appraisal Value <b>NAV Growth</b>	3. Land Price	Contract Term (Remaining Term) <b>Stable DPU</b>
Name of Property	Date of Acquisition						
Logistics	IIF Narashino Logistics Center (land with leasehold interest)	 2010/2	6.3% (6.3%)	1,190	3,010 (+145.9%)	3,340 (+180.7%)	20.0年 (1.1年)
Infra-structure	IIF Nagoya Port Tank Terminal (land with leasehold interest)	 2014/2	6.6% (6.6%)	1,900	2,240 (+12.1%)	2,320 (+22.1)	49.9年 (43.5年)
R&DC	IIF Totsuka Technology Center (land with leasehold interest)	 2010/3	6.1% (6.1%)	4,500	5,380 (+18.2%)	5,250 (+16.7%)	30.0年 (19.7年)
Manu- facturing	IIF Totsuka Manufacturing Center (land with leasehold interest)	 2018/3	5.0% (5.0%)	2,300	2,590 (+7.3%)	3,130 (+36.1%)	50.0年 (47.6年)
	IIF Hiroshima Manufacturing Center (land with leasehold interest)	 2018/3	6.2% (6.2%)	1,608	1,870 (+10.5%)	2,030 (+26.2%)	20.0年 (16.7年)
	IIF Urayasu Machinery Maintenance Center (land with leasehold interest)	 2016/3	5.7% (5.7%)	1,300	1,660 (+23.4%)	1,760 (+35.4%)	49.0年 (44.7年)
	IIF Okazaki Manufacturing Center (land with leasehold interest)	 2020/7	4.9% (4.9%)	3,930	4,190 (+6.6%)	4,540 (+15.5%)	20.0年 (20.0年)

### 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  
323.5 bn. in Portfolio Total**



**<Land with leasehold interest>  
JPY 28bn.  
Inv. Ratio 8.7%**

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

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

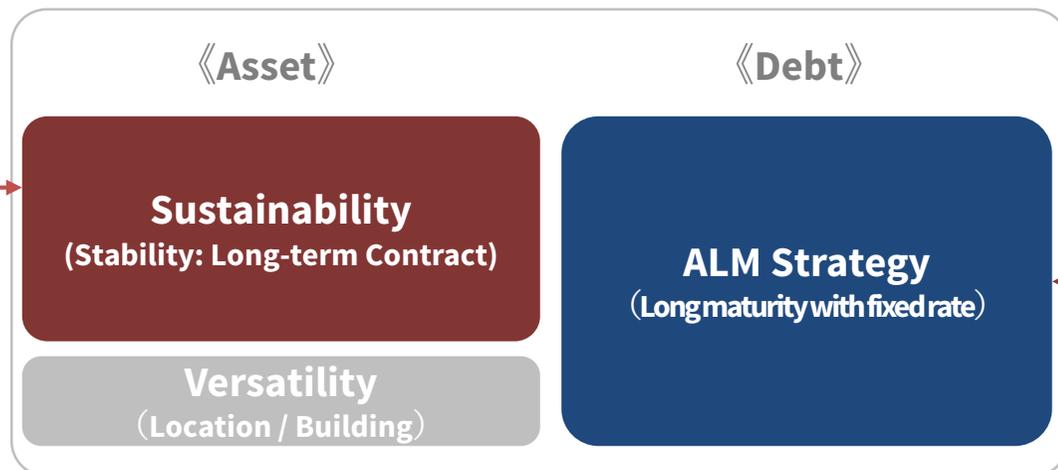
## 《Main Risk Factors》

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

## 《IIF's Risk Measures》

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

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

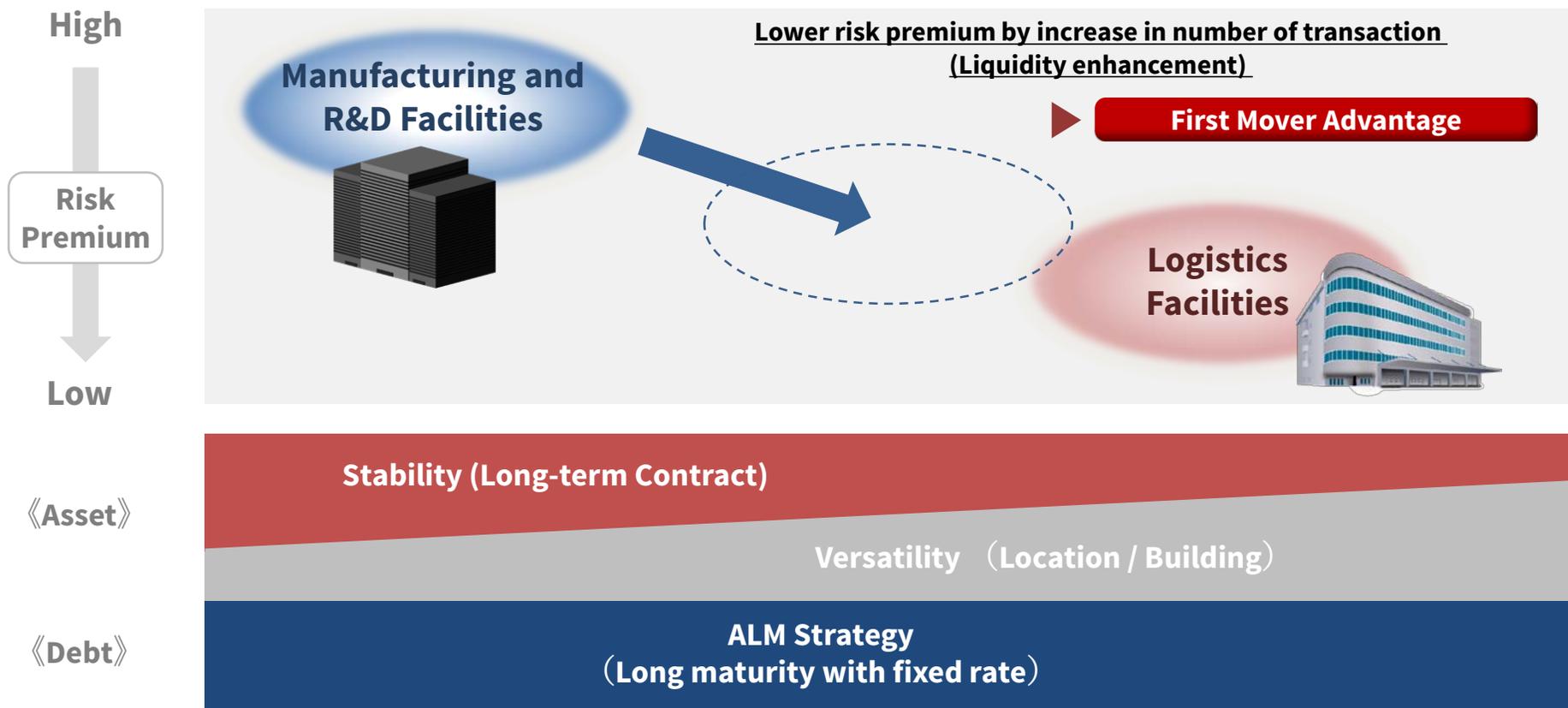


# IIF's Proactive Approach to Manufacturing and R&D Facilities Investment Risks(2)

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

※Image of risk measures until risk premium is lowered

## — Realization of First-Mover Advantages —



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# Potential for CRE (1)

## Initiatives to improve capital efficiency

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

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

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

Index change brings discipline

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

Investor communications seeking to improve capital efficiency

**“Stewardship Code”**  
**Formulation of Japan Stewardship Code**  
 Japanese institutional investors have accepted the new Stewardship Code which has as its core tenet the improvement of corporate value and efficiency through increased dialogue between institutional investors and Japanese companies (277 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 Feb. 14, 2020.

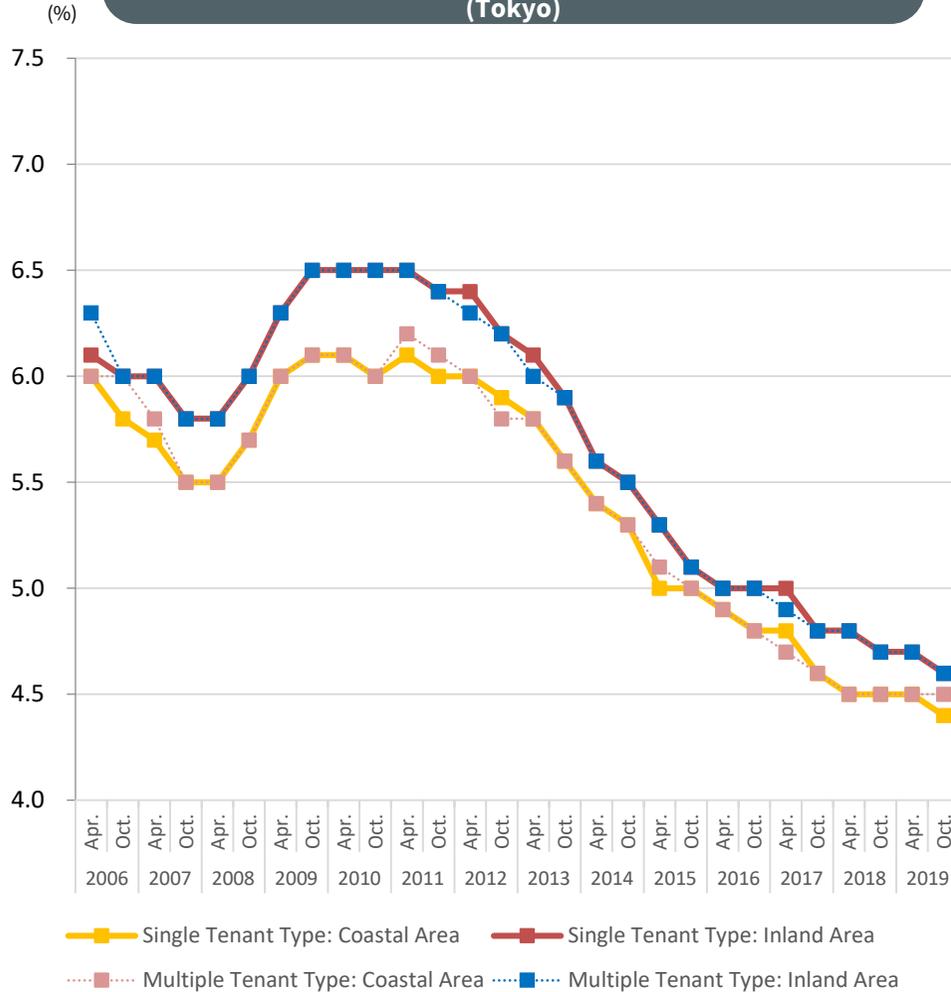
(Note 2) Corporate Governance Code refers to the policy established by Tokyo Stock Exchange and was implemented in June 2015 as a guide to basic corporate governance practice for the listed companies.

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

# Overview of the Logistics Market (1)

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

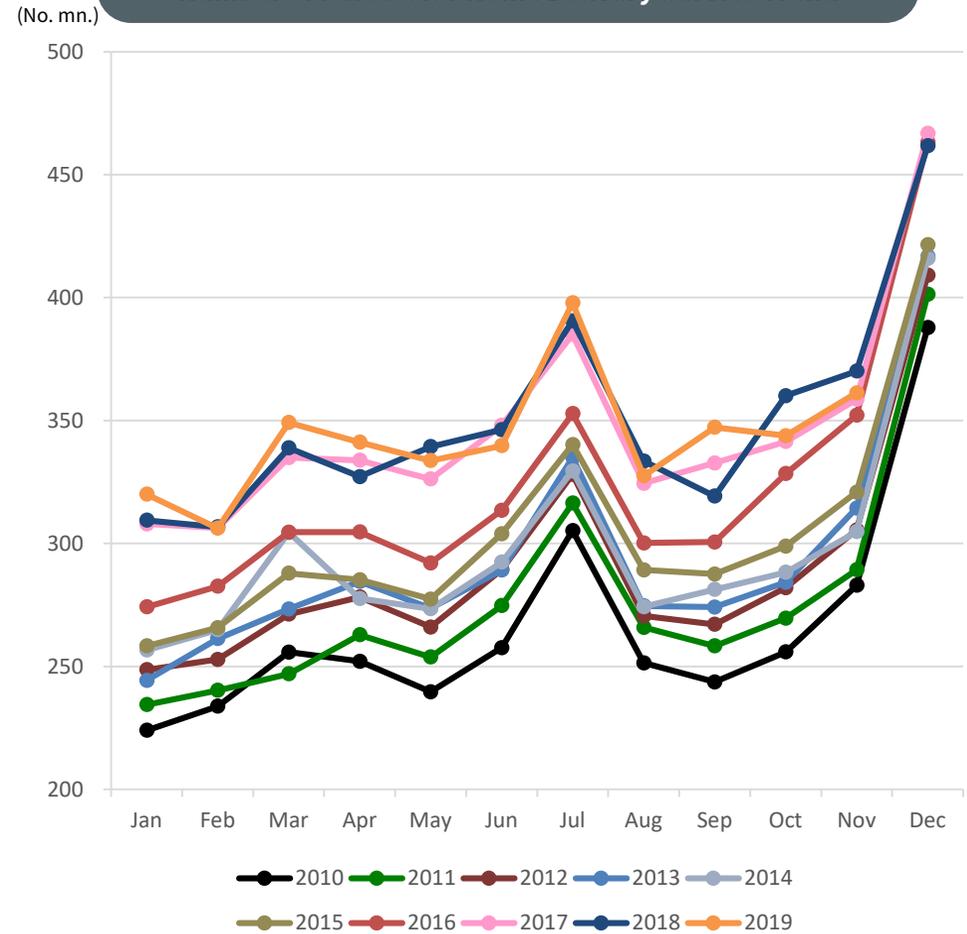
**Expected Cap Rate of Logistics Properties and Warehouses (Tokyo)**



(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**

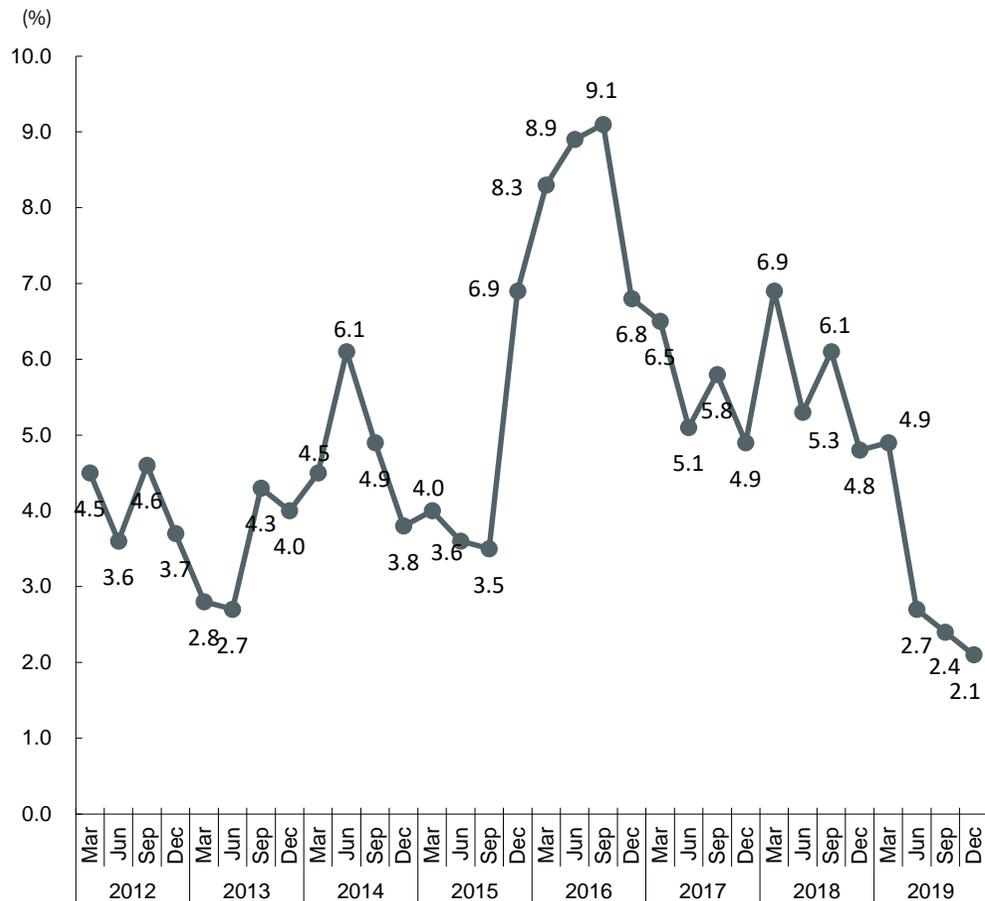


(Source) Ministry of Land, Infrastructure, Transport and Tourism

# Overview of the Logistics Market (2)

■ Although supply of new large-scale facilities are continuing, vacancy rate declined to 2.1% in Dec. 2019 through active demand.

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

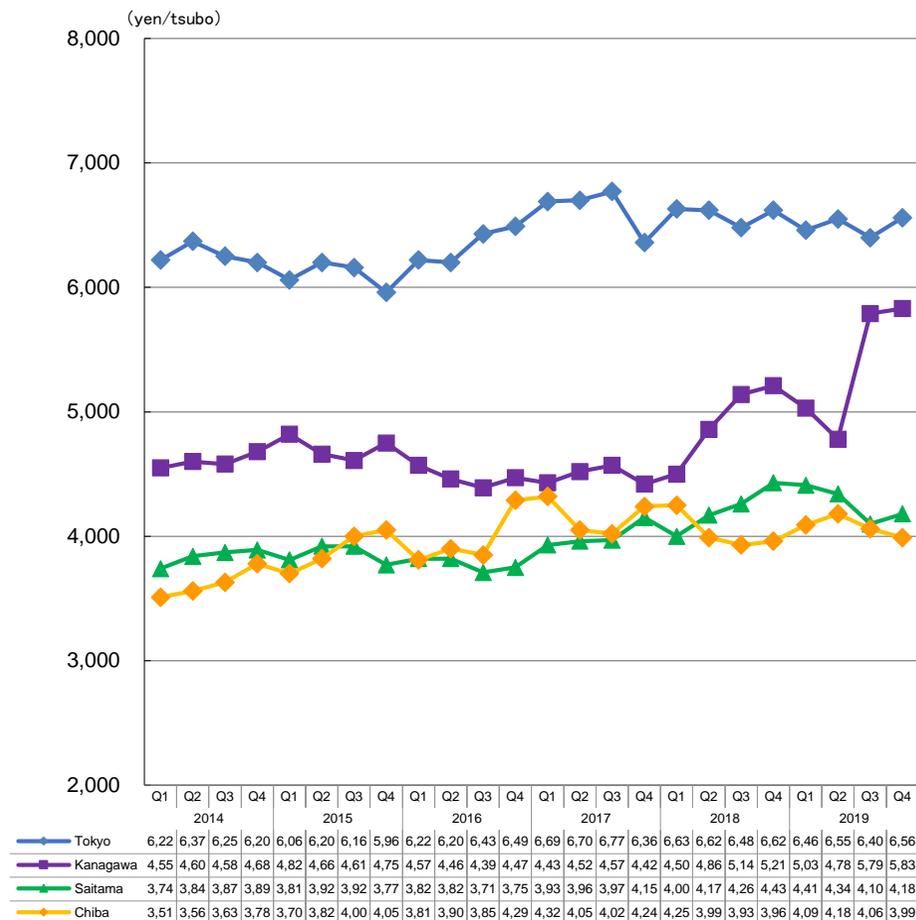


\*Vacancy rate covers 163 multi-type facilities with floor area of 10,000 tsubo and more in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama)

(Source) CBRE: Japan Logistics Market View

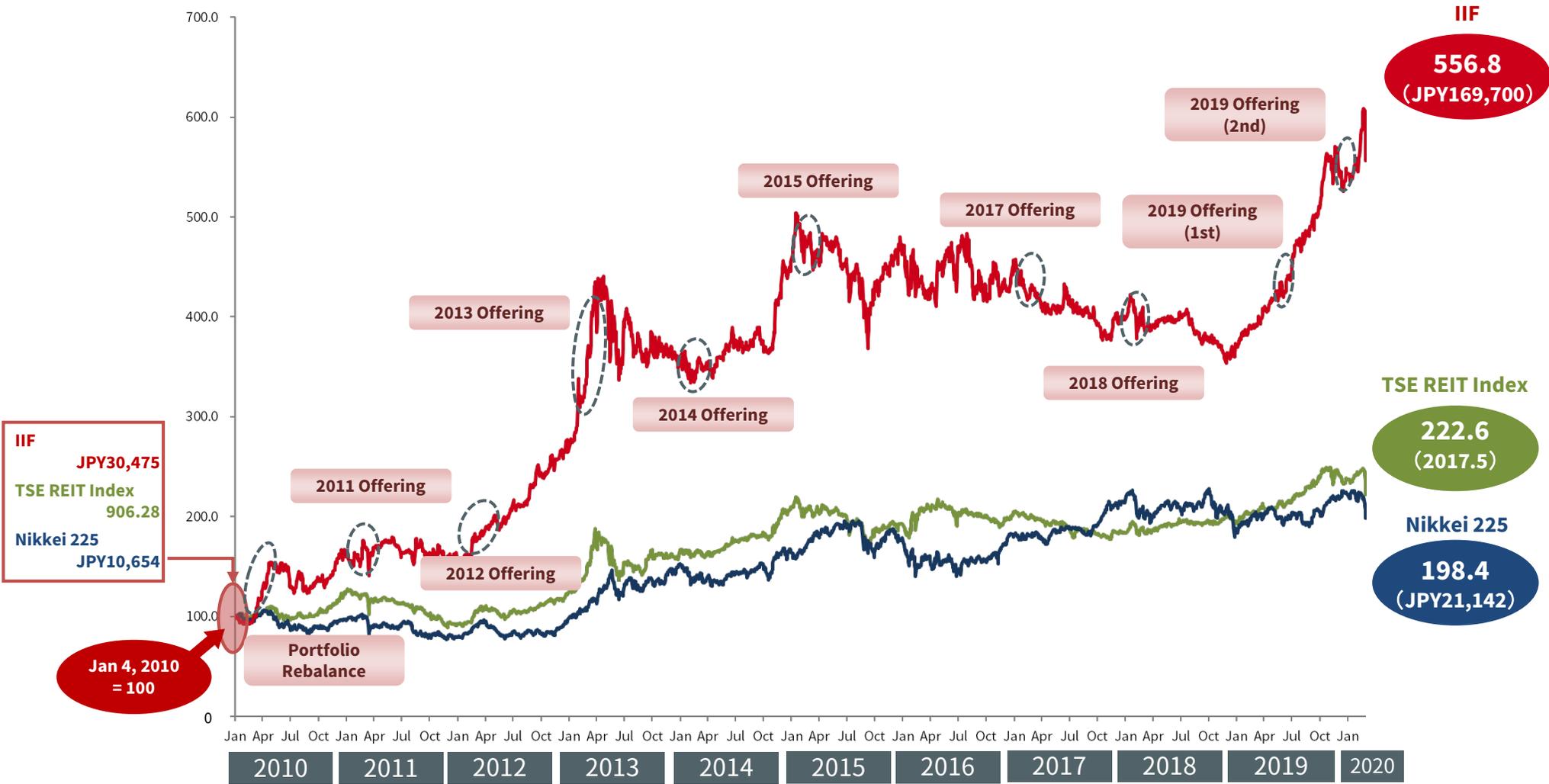
■ Asking Price for Large-scale Multi-tenant Logistics properties are Driving up the average rent for all areas.

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



(Source) CBRE: CREIS Japan

# Unit Price Performance (Jan. 4, 2010 ~ Feb. 28, 2020)



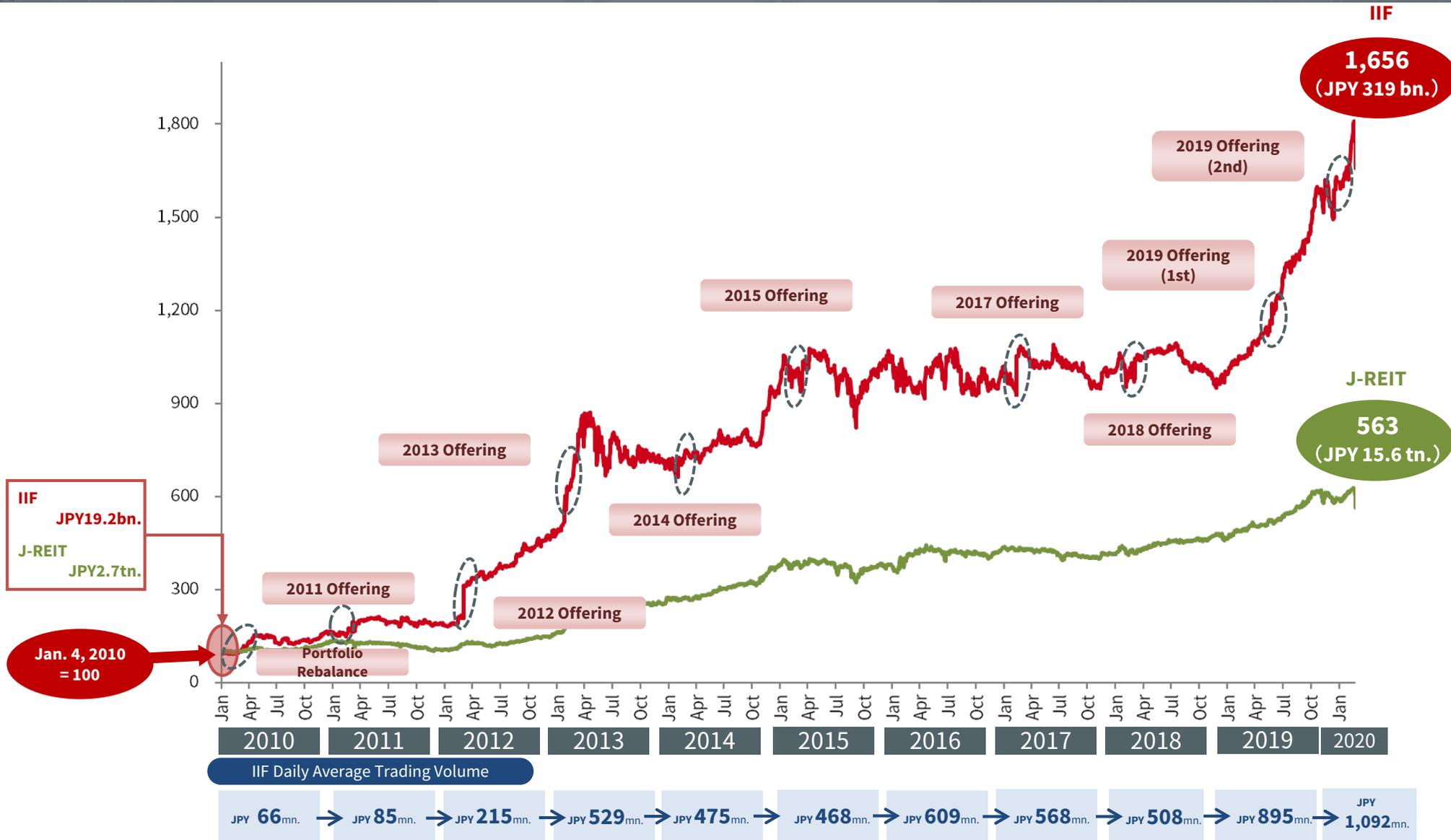
(Source) Bloomberg

(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 ~ Feb. 28, 2020)



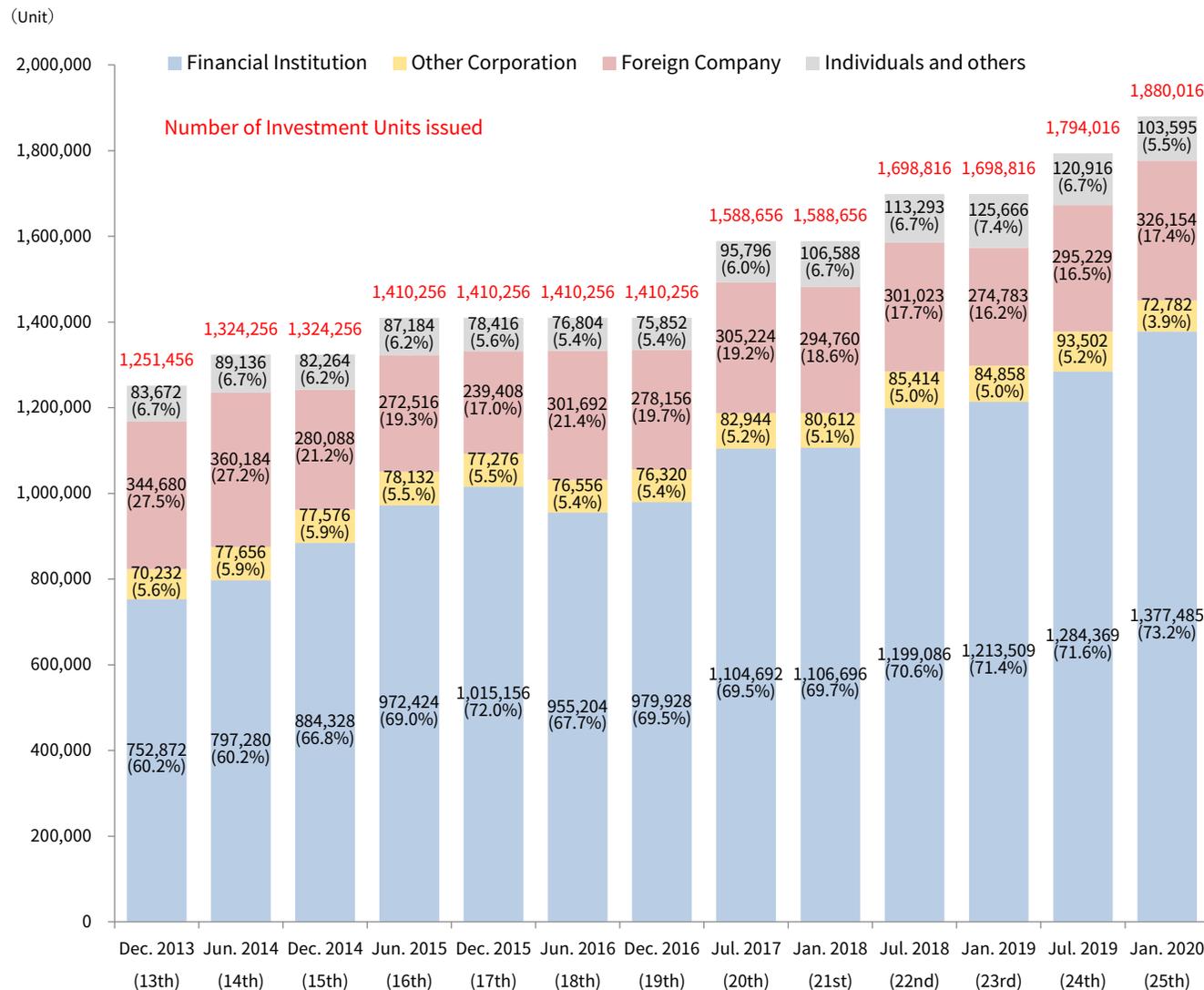
(Source) Bloomberg  
 (Note 1) Based on closing prices  
 (Note 2) Vertical axis indicates indexed unit price trend (Tokyo Stock Exchange) using Jan 4, 2010 as the base date with index value equal to 100

# Investors' Attributes

Top 20 Investors as of the End of January 2020

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Master Trust Bank of Japan, Ltd. (Trust Account)	312,258	16.60
2	Japan Trustee Services Bank, Ltd. (Trust Account)	304,662	16.20
3	Nomura Trust and Banking Co., Ltd. (Trust Account)	82,250	4.37
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	48,408	2.57
5	Mizuho Trust & Banking Co., Ltd.	35,086	1.86
6	Mizuho Securities Co., Ltd.	27,944	1.48
7	Mitsubishi Corporation	25,600	1.36
8	The Chugoku Bank, LTD.	25,029	1.33
9	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	23,779	1.26
10	BNYM AS AGT/CLTS 10 PERCENT	23,389	1.24
11	STATE STREET BANK WEST CLIENT - TREATY 505234	22,683	1.20
12	Joyo Bank, Ltd.	22,232	1.18
13	The Hachijuni Bank, Ltd.	22,220	1.18
14	JAPAN SECURITIES FINANCE CO., LTD.	21,326	1.13
15	Mitsubishi UFJ Trust and Banking Corporation	20,972	1.11
16	The Shinkumi Federation Bank	20,781	1.10
17	Development Bank of Japan Inc.	20,000	1.06
18	The Chukyo Bank, Ltd.	18,424	0.97
19	The Gunma Bank, Ltd.	17,999	0.95
20	THE ASHIKAGA BANK, LTD.	15,122	0.80
Total of Top 20		1,110,164	59.05

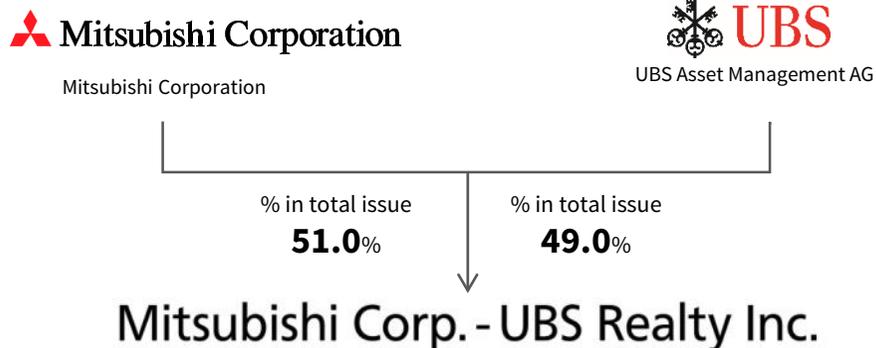
Unit Holder Composition



(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 149 (excluding part-time directors and employees, and seconded employees)

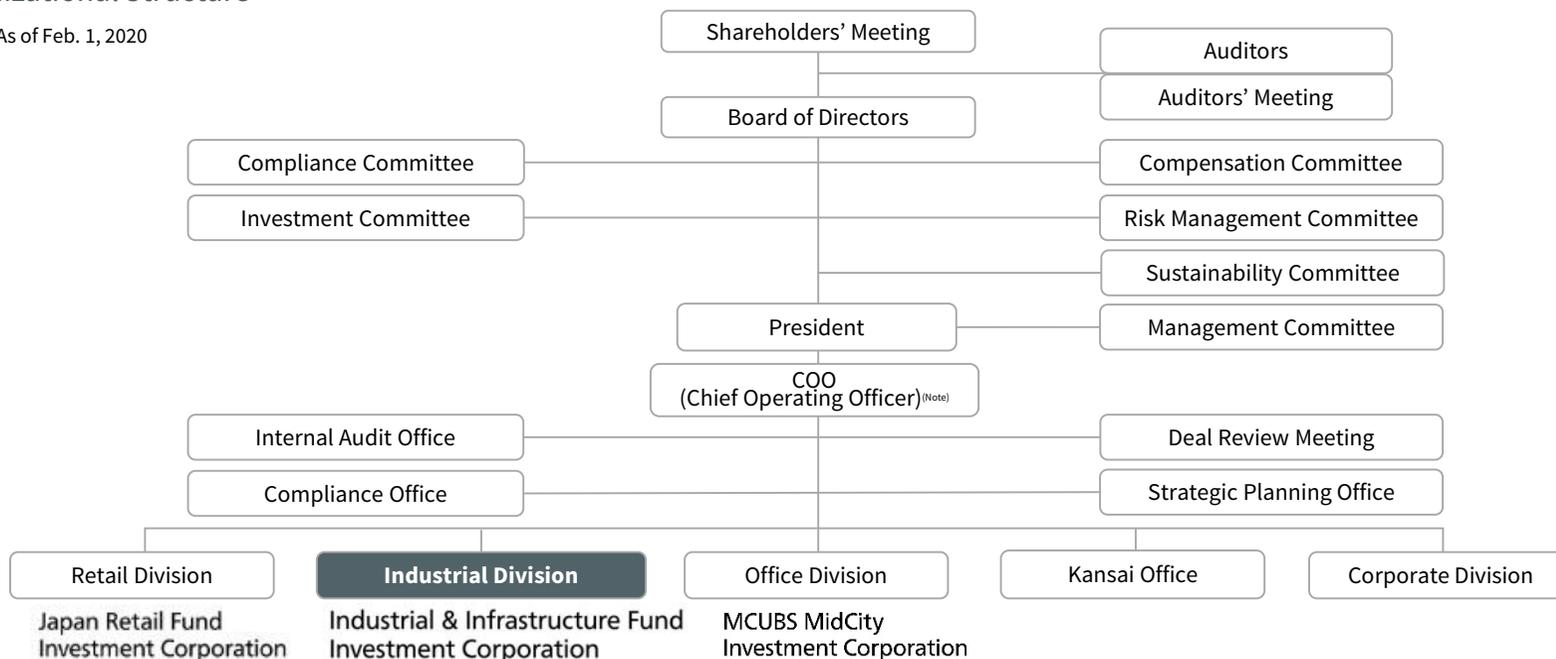
## Number of Licensed Persons Out of the Above

• Licensed Real Estate Agents	53
• First-class Architects	10
• Real Estate Appraisers	6
• Certified Member of Security Analysts Association of Japan	6
• Certified Public Accountants	7
• Certified Tax Accountants	5
• MBA (including US and UK)	1

(Note) As of Feb. 1, 2020

## Organizational Structure

(Note) As of Feb. 1, 2020



(Note) The Chief Operating Officer (COO) concurrently serves as the Director responsible for compliance.

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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)