

Think bold today for a brighter tomorrow.



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

August 1, 2019 – January 31, 2020

Industrial & Infrastructure Fund Investment Corporation

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

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

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

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

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

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

### Distribution Per Unit

- The 25<sup>th</sup> Fiscal Period (Result: August 1, 2019 – January 31, 2020) 3,085 yen
- The 26<sup>th</sup> Fiscal Period (Forecast: February 1, 2020 – July 31, 2020) 2,800 yen
- The 27<sup>th</sup> Fiscal Period (Forecast: August 1, 2020 – January 31, 2021) 2,955 yen

### Highlight of the 25th Period

	The 22nd period	The 23rd Period	The 24th Period	<b>The 25th Period (Result)</b>	The 26th Period (Forecast)	The 27th Period (Forecast)
Operating Revenue (million yen)	9,686	9,806	10,602	<b>11,049</b>	10,984	11,409
Net Income (million yen)	4,612	4,624	5,190	<b>5,571</b>	5,257	5,549
Total Asset (million yen)	289,221	289,242	314,087	<b>327,950</b>	-	-
Distribution per Unit (yen) <sup>*1</sup>	2,716	2,723	2,933	<b>3,085</b>	2,800	2,955
Net Asset Value per Unit (yen)	76,385	76,394	79,081	<b>82,743</b>	-	-

\*1 The figures include distribution in excess of profit.

## Greetings

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

This report provides an update on IIF's performance for the fiscal period ended January 31, 2020 (the 25<sup>th</sup> period). In this fiscal period, IIF decided to acquire five properties (total acquisition price: 25.3 billion yen) using the approximately 13.3 billion yen raised through our ninth public offering conducted on December 2019. We already acquired IIF Gifu Kakamigahara Logistics Center which is one of the five properties. These additions brought the total number of properties under management to 72 and our total asset size to 300.5 billion yen (on an acquisition price basis) as of the end of this period.

With regards to existing properties, IIF disposed of its trust beneficiary right in the IIF Atsugi Logistics Center (50% co-ownership interest) at the beginning of this fiscal period.

As in the previous year, we continued to strengthen our ESG initiatives. For the seventh consecutive year, we obtained Green Star, the highest rating for GRESB Real Estate. IIF Misato Logistics Center, IIF Shin-Kawasaki R&D Center, and IIF Shinagawa IT Solution Center received S-rank ratings and IIF Yokohama Tsuzuki Logistics Center received A-rank ratings for CASBEE Real Estate Certification.

Going forward, we will continue to contribute to the realization of a sustainable society by promoting continuous ESG initiatives in addition to the stable operation of ESG as in the past.

And in terms of financial matters, we signed new loan contracts totaling 14.0 billion in addition to the fund procurement through the ninth public offering.

As a result of these activities, the distribution per unit (including distribution in excess of profit) for this period was 3,085 yen. IIF will work to maximize unitholder value by implementing external growth through public offering and continued internal growth measures, and we look forward to your continued support.

**Yasuyuki Kuratsu**

Executive Director

Industrial & Infrastructure Fund Investment Corporation

## **IIF Focus**

### **Continuous expanding AUM and realization of stable DPU growth Acquisition profitable properties through CRE proposal**

#### **Topics of the 25<sup>th</sup> period**

- **Procured approximately 13.3 billion yen through the issuance of new investment units in the ninth public offering on December 2019**
- **AUM exceeds 300 billion yen and will grow to approximately 323.5 billion yen after the completion of the acquisition of new properties.**
- **Acquisition CASBEE® real estate certification for 4 existing properties**
- **Initiatives for Sustainability : Holding Joint ESG Meeting for 3 REITs and Publication of the Second ESG Report**

#### **Summary of the 25<sup>th</sup> Period (Fiscal Period Ended January 31, 2020)**

In this period, due to the gain on sales of IIF Atsugi Logistics Center and the acquisition of a new property, operating revenue was 11,049 million yen (an increase of 446 million yen from the previous period), and net income was 5,571 million yen (an increase of 380 million yen from the previous period). As a result, the distribution per unit increased by 152 yen from the previous period to 3,085 yen (including distribution in excess of profit of 121 yen per unit). Net asset value (NAV) per unit\*<sup>1</sup> also increased by 3,701 yen from the previous fiscal period\*<sup>2</sup> to 110,804 yen.

IIF's portfolio as of January 31, 2020 comprised 72 properties worth 300.5 billion yen (based on acquisition price) with a total leasable area of 1,601,499.25 m<sup>2</sup> and an occupancy rate of 99.8%\*<sup>3</sup>.

The average remaining lease term is 7.8 years, and based on these long-term lease agreements, we have secured stable management.

#### **Prospect for the 26<sup>th</sup> Period (Fiscal Period Ending July 31, 2020) and the 27<sup>th</sup> Period (Fiscal Period Ending January 31, 2021), and Future Management Policies**

We forecast an operating revenue of 10,984 million yen, net income of 5,257 million yen, and a distribution per unit of 2,800 yen (including distribution in excess of profit of four yen) for the fiscal period ending July 31, 2020 (the 26<sup>th</sup> period). For the fiscal period ending January 31, 2021 (the 27<sup>th</sup> period), an operating revenue of 11,409 million yen, net income of 5,549 million yen, and a distribution per unit of 2,955 yen (including distribution in excess of profit of four yen).

As Japan's only REIT specializing in industrial properties\*<sup>4</sup>, IIF has cultivated manufacturing and research facilities and infrastructure facilities in recent years based upon our unique Corporate Real Estate (CRE\*<sup>5</sup>) proposals. All of the properties anticipated to be acquired in the ninth public offering were based on the CRE strategy. Thus, we have built solid track records in the cultivation of new classes of assets. We are increasingly receiving favorable reviews from investors and will continue to strive to meet their expectations. We look forward to continued support and encouragement from our unitholders.

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

\*2 NAV per unit of the previous fiscal period (the 24th fiscal period) is calculated by deducting unrealized gain of IIF Atsugi LC (remaining 50% Co-ownership interest) disposed on Aug. 1, 2019.

\*3 Figures are rounded off to one decimal place.

\*4 “Industrial properties” is a collective term for properties that serve as bases for a range of industrial activities such as research and development, raw material procurement, stockpiling, storage, manufacturing, production, intercompany distribution, assembly and processing, sale distribution, and recycling, and infrastructure properties that serve as bases for supporting these industrial activities.

\*5 “CRE” is the abbreviation for Corporate Real Estate, which refers to properties owned by companies. To contribute to solving managerial and operational issues and needs of private-sector companies and public institutions, IIF purses CRE strategy that involves making proposals for optimum and efficient management of such property holdings, and works on projects for developing plants, research facilities, and other properties.

## Initiatives for Sustainability:

### Holding Joint ESG Meeting for 3 REITs and Publication of the Second ESG Report

On January 30, 2020, Mitsubishi Corp.-UBS Realty Inc. held a joint ESG meeting for 3 REITs, including Industrial & Infrastructure Fund Investment Corporation, Japan Retail Fund Investment Corporation, and MCUBS MidCity Investment Corporation.

The purpose of the meeting was to introduce investors the ESG initiatives of MC-UBS Group\*.

In the meeting, Mr. Suzuki Deputy President & Representative Director, who was appointed the chief sustainability officer (CSO) of the Sustainability Committee established with MC-UBS, introduced the ESG initiatives led by MC-UBS Group and achievements to date.

In response to increasing social demands for ESG in recent years, many investors attended the event.

We also published the second edition of MC-UBS Group ESG Report.

Detailed information of the meeting and the ESG Report can be found on the IIF's website.

\* MC-UBS Group refers to Mitsubishi Corp.-UBS Realty Inc. and the 3 investment corporations which MC-UBS receives asset management consignments from.

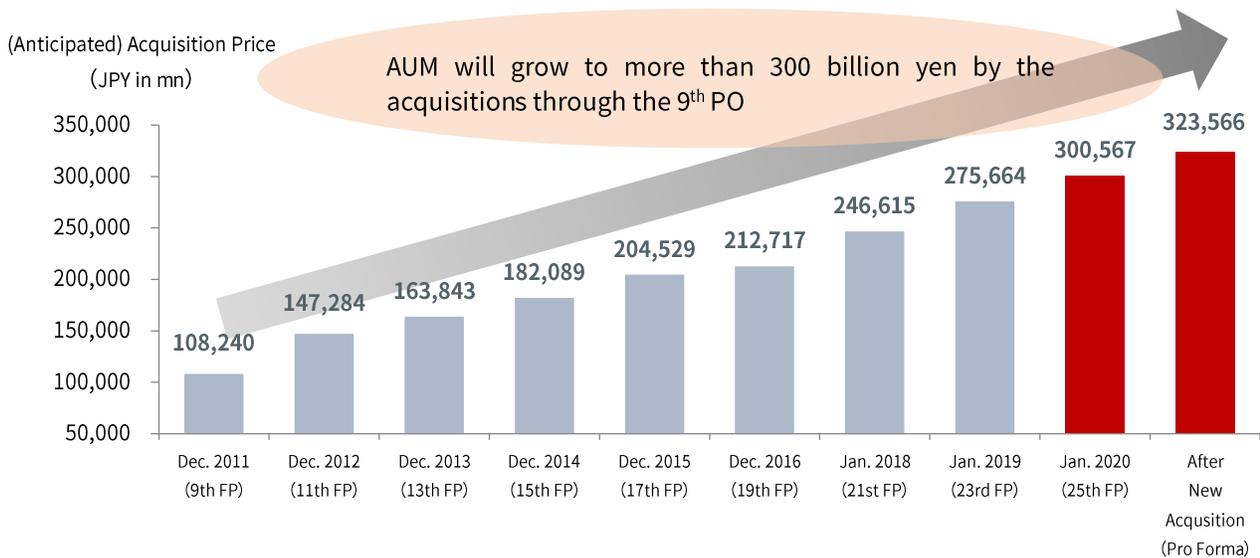


■ Movie of Joint ESG Meeting for 3 REITs :  
<https://www.iif-reit.com/english/index.html>

■ MC-UBS Group ESG Report 2020 :  
<http://contents.xj-storage.jp/xcontents/32490/bfe301ef/8461/4f20/a0fe/53ce98e7021d/20200116140106796s.pdf>

# IIF's External Growth

## Steady AUM growth through acquisition of assets by successive public offerings



## (Anticipated) Acquisitions in 9<sup>th</sup> Public offering

### IIF Yokohama Tsuzuki Logistics Center **CRE Proposal**

- Acquisition of a key R&D facility 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
- Highly regarded from a Business Continuity Plan perspective because of the equipped emergency generators that supply power for 72 hours



<b>Location</b>	<b>Yokohama-shi, Kanagawa</b>
<b>Acquisition Date</b>	<b>Mar. 2, 2020</b>
<b>Acquisition Price</b>	<b>JPY 5,900 mn</b>
<b>Appraisal Value (Note1)</b>	<b>JPY 6,350 mn</b>
<b>NOI Yield (Note2)</b>	<b>5.9%</b>
<b>NOI Yield after depreciation (Note2)</b>	<b>4.9%</b>

(Note1) "Appraisal value" is based on an appraisal report or a research report as of Jan.31, 2020. The same shall apply hereafter.

(Note2) "NOI Yield" is calculated by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of Nov.1, 2019. If special circumstances are expected in the first year, the second or later year net revenue is used. Depreciation is calculated based on the straight-line method according to useful life in the same way as for IIF's acquired properties in the portfolio. The same shall apply hereafter.

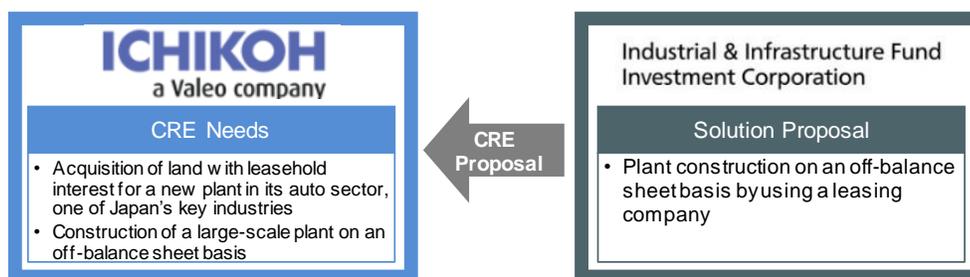
## IIF Atsugi Manufacturing Center (building) CRE Proposal

- 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

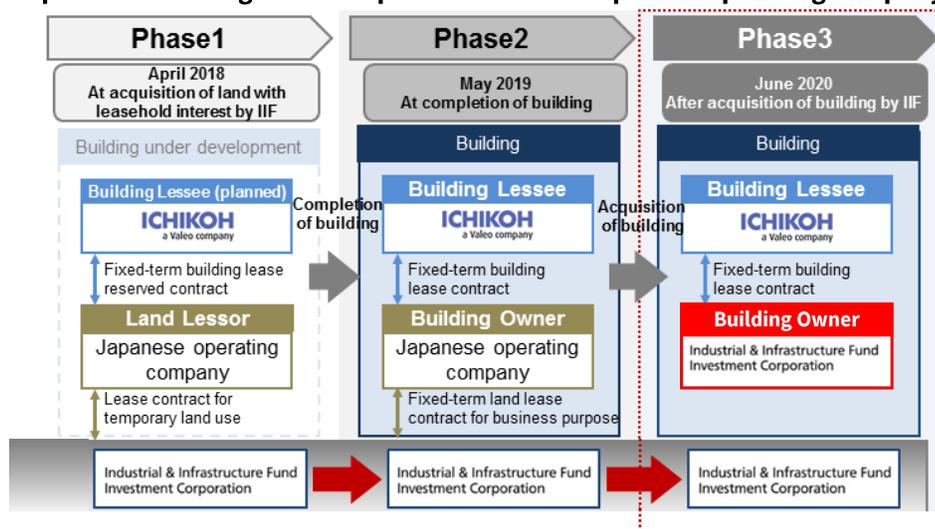


<b>Location</b>	<b>Atsugi-shi, Kanagawa</b>
<b>(Anticipated) Acquisition Date</b>	<b>June 1, 2020</b>
<b>(Anticipated) Acquisition Price</b>	<b>JPY 6,960 mn</b>
<b>Appraisal Value (Note1)</b>	<b>JPY 6,990 mn</b>
<b>NOI Yield (Note2)</b>	<b>6.0%</b>
<b>NOI Yield after depreciation (Note2)</b>	<b>4.0%</b>

- Acquired an important manufacturing plant through a CRE proposal to meet the new facility demand of Ichikoh Industries, Ltd. through an off-balance sheet development scheme, amid a trend of expanding manufacturing plants in Japan



- A Japanese operating company developed the new facility on the land which IIF had acquired in the 7<sup>th</sup> PO  
IIF will acquire the building after completion from the Japanese operating company



<Worker-friendly facility with highly-versatile specifications>

【Manufacturing (assembling area)】



【Cafeteria】



【Office】



## **IIF Okazaki Manufacturing Center (land with leasehold interest)**

**CRE Proposal**

- Acquisition of the manufacturing plant (*land with leasehold interest*) located in Nishi-Mikawa region of Aichi<sup>(Note)</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

(Note) “Nishi-Mikawa region” is the following cities in Aichi: Okazaki, Hekinan, Kariya, Anjo, Toyota, Nishio, Chiryu, Takahama, Miyoshi and Kotacho Nukata-gun. The same shall apply hereinafter.



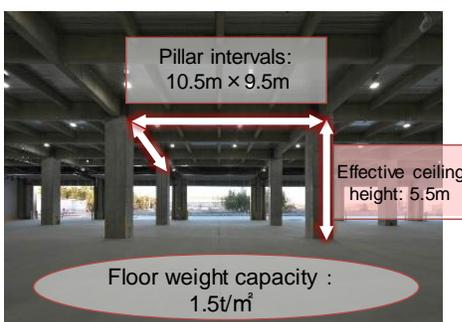
<b>Location</b>	<b>Okazaki-shi, Aichi</b>
<b>(Anticipated) Acquisition Date</b>	<b>July 15, 2020</b>
<b>(Anticipated) Acquisition Price</b>	<b>JPY 3,930 mn</b>
<b>Appraisal Value (Note1)</b>	<b>JPY 4,190 mn</b>
<b>NOI Yield (Note2)</b>	<b>4.9%</b>
<b>NOI Yield after depreciation (Note2)</b>	<b>4.9%</b>

## IIF Gifu Kakamigahara Logistics Center

**CRE Proposal**

- 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 and highly versatile

(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.



<b>Location</b>	<b>Kakamigahara-shi, Gifu</b>
<b>Acquisition Date</b>	<b>Dec. 19, 2019</b>
<b>Acquisition Price</b>	<b>JPY 2,343 mn</b>
<b>Appraisal Value <sup>(Note1)</sup></b>	<b>JPY 2,820 mn</b>
<b>NOI Yield <sup>(Note2)</sup></b>	<b>5.9%</b>
<b>NOI Yield after depreciation <sup>(Note2)</sup></b>	<b>4.1%</b>

## IIF Hiroshima Seifushinto Logistics Center

**CRE Proposal**

- Development project based on the identified needs of a locally-based 3PL<sup>(Note)</sup> 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

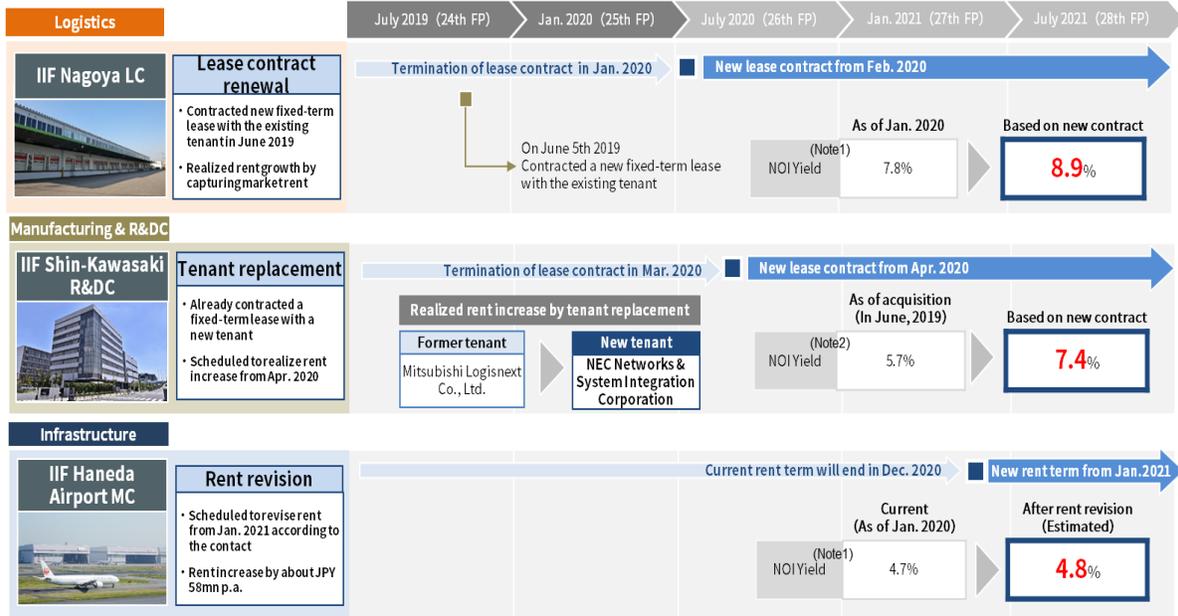
(Note) "3PL (third party logistics)" is a company's use of third party businesses to outsource elements of such company's distribution and fulfillment services.



<b>Location</b>	<b>Hiroshima-shi, Hiroshima</b>
<b>(Anticipated) Acquisition Date</b>	<b>Apr. 30, 2020</b>
<b>(Anticipated) Acquisition Price</b>	<b>JPY 6,208 mn</b>
<b>Appraisal Value <sup>(Note1)</sup></b>	<b>JPY 6,870 mn</b>
<b>NOI Yield <sup>(Note2)</sup></b>	<b>5.7%</b>
<b>NOI Yield after depreciation <sup>(Note2)</sup></b>	<b>4.1%</b>

# IIF's Internal Growth

Steadily improve profitability of existing properties by taking advantage of opportunities such as contract termination



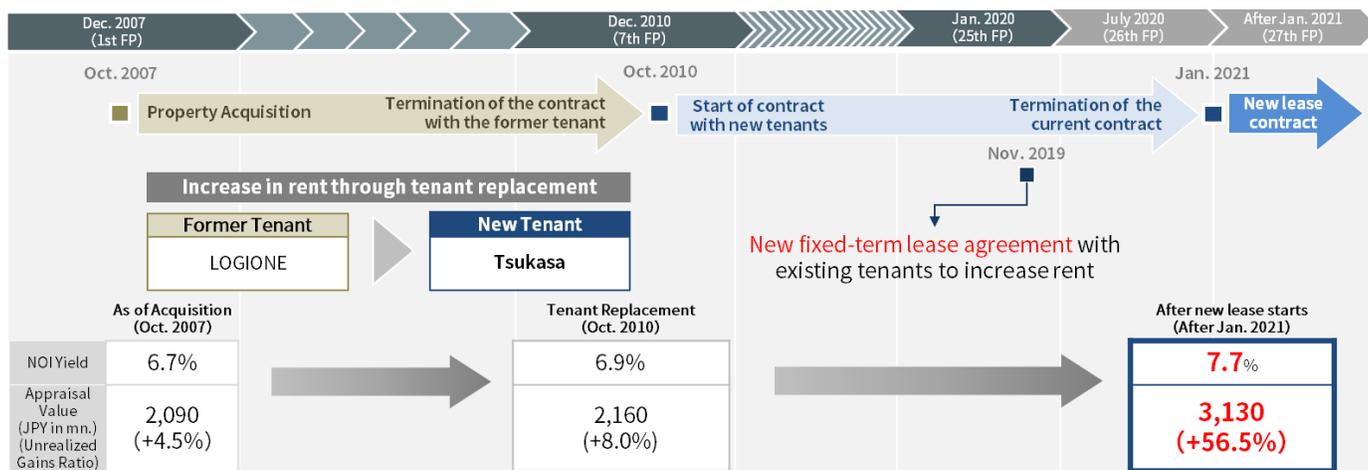
(Note 1) NOI for “As of Jan. 2020” or “Current (As of Jan. 2020)” is based on the actual results for the fiscal period ended in July 2019 and Jan. 2020 adjusting temporary factors such as leasing brokerage fees, while for “Based on new contract ” or “After rent revision (Estimated) ” is calculated by annualizing the forecast for the fiscal period ending in July 2020 adjusting each rent increase.

(Note 2) NOI for “As of acquisition (In June 2019)” is calculated by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of April 1, 2019, while for “Based on new contract” by using the net operating income for the second fiscal year under the DCF method indicated in the appraisal report as of April 1, 2019. Depreciation expenses are calculated by annualizing actual for the fiscal period ending in January 2020.

## (Reference) IIF Koshigaya Logistics Center : Increase rent by capturing robust rent market

- A single-tenant distribution center with two-floor warehouses. A large-scale logistics facility with a total floor space of approximately 3,000 tsubo that can be used to consolidate distribution centers.
- It has two elevators for cargo on both sides of the building and has highly versatile basic specifications. It not only has business spaces, but also resting spaces such as locker rooms and cafeterias.
- The Family Mart Koshigaya Temperature Center handles processed foods, confectionery, beverages, liquor, and other consumer-related products, and supplies them to about 500 stores in northern Tokyo and southern Saitama Prefecture.





(Note 1) NOI for "As of Acquisition" is calculated by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of July 1, 2007, for "Tenant Replacement" by using the net operating income for the first fiscal year under the DCF method indicated in the appraisal report as of Dec. 31, 2010 and, for "After new lease starts" by using the net operating income for the first second year under the DCF method indicated in the appraisal report as of Jan. 31, 2020 .

(Note 2) Appraisal value for "As of Acquisition" is based on the appraisal report as of July 1, 2007, for "Tenant Replacement" based on the appraisal report as of Dec. 31, 2010 and for "After new lease starts" based on the appraisal report as of Jan. 31, 2020.

## Financial Initiatives of IIF

In this period, the percentages of long-term and fixed-interest rate borrowings were 100% and 100%, respectively, with an average applicable interest rate of 0.86% and an average of 5.7 years remaining until maturity. The loan to value (LTV) rate was 47.7%.

In addition, IIF will borrow new long-term debts in the 26<sup>th</sup> fiscal period in purpose of the aim of raising capital to acquire new properties through the 9<sup>th</sup> public offering on December 2019.

IIF will work to build up the continuative and stable financial foundation through the ALM strategy which is to implement long-term and fixed-interest rate borrowings.

# IIF's Sustainability Management

## Inclusion in the MSCI Japan ESG Select Leaders Index

IIF has been included in the MSCI Japan ESG<sup>\*1</sup> Select Leaders Index which was launched by MSCI on July 3, 2017. IIF has received “A” rank as of December 2019. IIF sees inclusion in the index having a favorable effect to broaden our potential investor base and increase the liquidity of the fund.



MSCI Japan ESG  
Select Leaders Index

### MSCI Japan ESG Select Leaders Index:

MSCI, an American stock index provider listed on the New York Stock Exchange, launched index called the MSCI Japan ESG Select Leaders Index<sup>\*2</sup>. The index is the capitalization weighted index which provides exposure to companies with high Environment, Social, and Governance (ESG) performance relative to their sector peers. The Government Pension Investment Fund (GPIF) also announced on July 3, 2017 that it has selected the index one of three ESG indices. As announced in August 2019 by MSCI, the index covers the top 700 equities in the MSCI Japan Investable Market Index (IMI), and selects 246 equities with outstanding ESG ratings

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

\*2 The inclusion of IIF in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of IIF by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos, trademarks or service marks of MSCI or its affiliates.

## Third-Party Evaluation and Certifications (As of the end of January, 2020)

### GRESB Real Estate Assessment

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



### CASBEE

IIF has been promoting environmental and energy conservation measures as well as the efficient use of energy in its properties for the effort to strengthen environmental consciousness and reduce environmental load. 14 properties in IIF's portfolio were awarded CASBEE Real Estate Certification.



\*Includes properties subject to reporting system of local municipalities.

## BELS

Eight properties in IIF's portfolio were awarded BELS Certification.



## DBJ Green Building Certification

Five properties in IIF's portfolio have received the DBJ Green Building Certification.



## **Continuous Efforts Regarding ESG**

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

### In 2013

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

### In 2015

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

### In 2016

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

### In 2019

- Express support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

### In 2020

- Organized the Sustainability Committee
- Establish the Chief Sustainability Officer (CSO).

Signatory of:



Signatory of:



WE SUPPORT



Since 2016 MCUBS has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

# I. ASSET MANAGEMENT REPORT

## Outline of asset management operation

### 1. Operating results and financial position

Fiscal period			21st	22nd	23rd	24th	25th
As of /for the six months ended			January 31, 2018	July 31, 2018	January 31, 2019	July 31, 2019	January 31, 2020
Operating revenues	Note 2	(Millions of yen)	8,976	9,686	9,806	10,602	11,049
(Rental revenues)	Note 2	(Millions of yen)	(8,976)	(9,686)	(9,806)	(10,131)	(10,562)
Operating expenses	Note 2	(Millions of yen)	3,905	4,132	4,243	4,383	4,529
(Rental expenses)	Note 2	(Millions of yen)	(2,976)	(3,135)	(3,210)	(3,327)	(3,392)
Operating income		(Millions of yen)	5,071	5,553	5,562	6,218	6,519
Ordinary income		(Millions of yen)	4,082	4,614	4,625	5,192	5,572
Net income	(a)	(Millions of yen)	4,081	4,612	4,624	5,190	5,571
Net assets	(b)	(Millions of yen)	116,483	129,765	129,780	141,873	155,559
(Period-on-period change)		(%)	(-0.4)	(11.4)	(0.0)	(9.3)	(9.6)
Total assets	(c)	(Millions of yen)	261,500	289,221	289,242	314,087	327,950
(Period-on-period change)		(%)	(-0.2)	(10.6)	(0.0)	(8.6)	(4.4)
Unitholders' capital	Note 3	(Millions of yen)	112,651	125,376	125,376	136,894	150,235
(Period-on-period change)		(%)	(—)	(11.3)	(—)	(9.2)	(9.7)
Number of units issued and outstanding	(d)	(Units)	397,164	1,698,816	1,698,816	1,794,016	1,880,016
Net asset value per unit	Note 4	(b)/(d) (Yen)	73,321	76,385	76,394	79,081	82,743
Total distributions	(e)	(Millions of yen)	4,083	4,613	4,625	5,261	5,799
Distribution per unit	(e)/(d)	(Yen)	10,282	2,716	2,723	2,933	3,085
(Profit distribution per unit)		(Yen)	(10,276)	(2,715)	(2,722)	(2,893)	(2,964)
(Distribution per unit in excess of profit)		(Yen)	(6)	(1)	(1)	(40)	(121)
Ratio of ordinary income to total assets	Note 5	(%)	1.6 (3.1)	1.7 (3.4)	1.6 (3.2)	1.7 (3.5)	1.7 (3.4)
Return on unitholders' equity	Note 5	(%)	3.5 (6.9)	3.7 (7.6)	3.6 (7.1)	3.8 (7.7)	3.7 (7.4)
Ratio of net assets to total assets	(b)/(c)	(%)	44.5	44.9	44.9	45.2	47.4
(Period-on-period change)		(%)	(-0.2)	(0.4)	(0.0)	(0.3)	(2.2)
Payout ratio	Note 5	(%)	100.0	100.0	100.0	100.0	100.0
Additional information:							
Rental net operating income (NOI)	Note 5	(Millions of yen)	7,262	7,882	7,961	8,207	8,640
Net profit margin	Note 5	(%)	45.5	47.6	47.2	49.0	50.4
Debt service coverage ratio	Note 5	(Multiple)	8.3	9.7	9.7	11.0	11.5
Funds from operation (FFO) per unit	Note 5	(Yen)	13,456	3,499	3,526	3,413	3,487
FFO multiples	Note 5	(Multiple)	18.7	17.1	16.6	20.7	24.1
Distributable income per unit after adjustment for taxes on property, plant and equipment	Note 6	(Yen)	10,057	2,680	2,684	2,881	2,935
FFO per unit after adjustment for taxes on property, plant and equipment	Note 6	(Yen)	13,237	3,464	3,488	3,401	3,459

Note 1 Consumption taxes are not included.

Note 2 Figures less than unit indicated in the above table are rounded down for amounts and rounded for ratio unless otherwise indicated.

Note 3 Unitholders' capital does not reflect capital deduction item caused by allowance for temporary difference adjustment.

Note 4 The Investment Corporation executed a four-for-one unit split (the "Unit Split") on February 1, 2018 as the effective date. Net asset value per unit in the above table shows pro forma per unit information which has been adjusted to reflect the Unit Split as if it had been effective on August 1, 2017.

Note 5 Figures are calculated using the formulas below. Percentages in parentheses are annualized using 184,181,184,181 and 184 days for the 21st, 22nd, 23rd, 24th and 25th fiscal period, respectively. FFO multiples are unaudited.

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

Note 6 The figures indicate pro forma distributable income per unit and pro forma FFO per unit assuming that taxes on property, plant and equipment were not capitalized but charged to income in the periods in which were incurred. These figures are unaudited.

## 2. Outline of asset management operation

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

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

IIF has continued to mark steady growth since it began investment operations in 2007 when it acquired nine properties for the total acquisition price of 66,000 million yen. IIF owned 72 properties whose total acquisition price amounted to 300,567 million yen as of January 31, 2020.

### (2) Investment environment and management performance

The gross domestic product (GDP) growth for this fiscal period (August 2019 to January 2020) was the growth rates for July to September 2019 and October to December 2019 (first preliminary figure announced on February 17, 2020) increased by 0.1% (0.5% annually) and decreased 1.6% (6.3% annually), respectively. From October to December 2019, in addition to a decline following the last-minute surge in demand prior to the consumption tax rate increase, household consumption fell sharply due to large-scale typhoons and warm winters, and a decline in private-sector capital investment also made a negative contribution.

In the capital market, the United States Federal Reserve Board (FRB) implemented this year's third interest rate cut in October 2019, followed by progress in the US-China trade talks, which increased expectations of avoiding recession, and the stock market remained steady. However, from mid-January 2020 onward, concerns began over the impact of the novel coronaviruses (COVID-19) in China on domestic and overseas economies, and as a result, the economy became volatile.

In J-REIT market, the Tokyo Stock Exchange REIT Index remained strong until October, followed by a temporary downturn in November in response to rising interest rates associated with the rising risks in the capital markets. The index also weakened slightly in December. In January 2020, a number of public offerings were announced, mainly for logistics REIT, but J-REIT markets remained steady.

Under these circumstances, IIF is continuing its sourcing activities from the standpoint of proposing CREs (Corporate Real Estate) as its strengths.

During the fiscal period, IIF announced the acquisition of 5 properties through a public offering and acquired 1 property, IIF Gifu Kakamigahara Logistics Center (acquisition price of 2,343 million yen). The remaining 4 properties are

scheduled to be acquired in the next fiscal period (February 2020 to July 2020). On August 1, 2019, IIF disposed IIF Atsugi Logistics Center (50% co-ownership interest) (Sales price: 1,280 million yen) and recorded a gain on sales of 485 million yen.

As a result, assets held by IIF as of January 31, 2020 totaled 300,567 million yen, including 45 logistics facilities, 18 manufacturing and R&D facilities, and 9 infrastructure facilities. As of January 31, 2020, the total leasable area was 1,601,499.25m<sup>2</sup> and the average occupancy rate was 99.8%.

### (3) Funding

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

#### I ) Equity Financing

Continued from the last fiscal period, IIF announced a public offering in November 2019, issuing 86,000 new investment units (including a third-party allotment in conjunction with a secondary offering through over-allotment) and procuring 13,340 million yen with the aim of raising capital to acquire new properties. As a result, the number of issued investment units reached 1,880,016 as of the end of this fiscal period.

#### II ) Debt Financing

As for funding of interest-bearing debt for this fiscal period, IIF decided on November 29, 2019 to newly borrow 14 billion yen (average maturity period: 8.4 years) at a fixed interest rate for the purpose of acquiring new properties and executed loan agreements with the lenders. IIF plans to borrow 3 billion yen on April 27, 2020, 7 billion yen on May 28, 2020 and 4 billion yen on July 13, 2020. In September 2019, IIF borrowed 1,626 million yen of long-term borrowings (contract period :9 years) at a fixed interest rate, and repaid the same amount of long-term borrowings with maturities. Through new borrowings and refinancing, IIF has established a financial structure capable of securing stable distributions over the long term by making long-term fixed borrowing periods and reducing interest costs.

As a result, the total amount of IIF's interest-bearing debt as of January 31, 2020 is 156,583 million yen, which is comprised of 146,583 million yen in long-term loans (including long-term loans to be repaid within one year), and 10,000 million yen in investment corporation bonds.

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

As a result of the above management activities, IIF recorded operating revenue of 11,049 million yen, operating income of 6,519 million yen, ordinary income of 5,572 million yen and net income of 5,571 million yen for this fiscal period.

For distributions, IIF includes profit distributions in deductible expenses in accordance with Article 67-15, Paragraph 1 of the Act on Special Taxation Measures Law, and profit distributions declared for this fiscal period were 5,572,367,424 yen, which was all profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deducting the provision of an allowance for temporary difference adjustments and excluding fractional distributions of less than one yen per unit. In addition, IIF makes distributions in excess of profit in amounts determined by IIF considering the effects of taxable income in excess of accounting income and items deducted from net assets on distribution amounts. For this fiscal period, distributions related to the allowance for temporary difference adjustments stood at 3,760,032 yen, the amount calculated as the taxable income in excess of accounting income excluding fractional distributions per unit in excess of profit less than one yen. As a result, the distribution per unit for the period and distributions related to the allowance for temporary difference adjustments stood at 2,966 yen.

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 has also decided, based on our distribution policy set in the rules, that IIF can distribute the amount of cash determined as a one-time distribution in excess of retained earnings solely for the purpose of maintaining the level of distribution per unit. As a result, distributions in excess of retained earnings per unit are 119 yen as a refund for investments applicable to distributions under tax law resulting in a decrease of investment capital.

As a result, the amount of distribution per unit during this fiscal period is 3,085 yen.

### 3. Changes in unitholders' capital

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

Date	Capital transaction	Number of investment units issued and outstanding		Unitholders' capital (Millions of yen) (Note 1)		Note
		Increase	Balance	Increase	Balance	
March 16, 2015	Public offering	20,988	352,052	11,059	90,553	Note 2
March 27, 2015	Allocation of investment units to a third party	512	352,564	269	90,823	Note 3
February 14, 2017	Public offering	43,538	396,102	21,308	112,131	Note 4
March 3, 2017	Allocation of investment units to a third party	1,062	397,164	519	112,651	Note 5
February 1, 2018	Unit Split	1,191,492	1,588,656	-	112,651	Note 6
March 7, 2018	Public offering	109,275	1,697,931	12,623	125,274	Note 7
April 4, 2018	Allocation of investment units to a third party	885	1,698,816	102	125,376	Note 8
May 29, 2019	Public offering	90,700	1,789,516	10,973	136,349	Note 9
June 25, 2019	Allocation of investment units to a third party	4,500	1,794,016	544	136,894	Note 10
December 18, 2019	Public offering	83,900	1,877,916	13,014	149,909	Note 11
January 15, 2020	Allocation of investment units to a third party	2,100	1,880,016	325	150,235	Note 12

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

Note 2 New investment units were issued at a price of ¥546,000 per unit (subscription price of ¥526,960 per unit) through a public offering.

Note 3 New investment units were issued at a price of ¥526,960 per unit through the allocation of investment units to a third-party.

Note 4 New investment units were issued at a price of ¥506,025 per unit (subscription price of ¥489,417 per unit) through a public offering.

Note 5 New investment units were issued at a price of ¥489,417 per unit through the allocation of investment units to a third-party.

Note 6 The Investment Corporation implemented a split of its investment units on a four-for-one basis with January 31, 2018 as the record date for the unit split.

Note 7 New investment units were issued at a price of ¥119,437 per unit (subscription price of ¥115,517 per unit) through a public offering.

Note 8 New investment units were issued at a price of ¥115,517 per unit through the allocation of investment units to a third-party.

Note 9 New investment units were issued at a price of ¥125,092 per unit (subscription price of ¥120,986 per unit) through a public offering.

Note 10 New investment units were issued at a price of ¥120,986 per unit through the allocation of investment units to a third-party.

Note 11 New investment units were issued at a price of ¥160,387 per unit (subscription price of ¥155,123 per unit) through a public offering.

Note 12 New investment units were issued at a price of ¥155,123 per unit through the allocation of investment units to a third-party.

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

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

Fiscal period	(Yen)				
	21st	22nd	23rd	24th	25th
As of /for the six months ended	January 31, 2018	July 31, 2018	January 31, 2019	July 31, 2019	January 31, 2020
Highest price	(Note 1) 521,000 (Note 2) 125,400	126,400	121,900	146,900	174,500
Lowest price	(Note 1) 454,000 (Note 2) 122,300	111,800	106,600	115,900	141,300
Closing price at end of period	(Note 2) 124,800	120,600	116,300	142,400	166,800

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

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

## 4. Distributions

The Investment Corporation intends to make profit distributions amounting to ¥5,572,367,424 which are all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment, except for fractional distribution per unit less than one yen, to be treated the distributions as a tax allowable deduction as defined in Article 67-15 of the Special Taxation Measures Act of Japan. The Investment Corporation also intends to make ¥3,760,032 of distributions in excess of profit, considering an effect of differences between net income and taxable income and items deducted from net assets, which were corresponding to differences between net income and taxable income for the period, except for fractional distribution per unit in excess of profit less than one yen. As a result, profit distribution per unit and unitcapital refund per unit from allowance for temporary difference adjustment for the six months ended January 31, 2020 totaled to ¥2,966.

Furthermore, the distribution policy stipulated in the Investment Corporation's articles of incorporation allows to make unitcapital refunds from deduction of unitcapital to level cash distributions only if a temporary decrease in cash distributions is expected causing by dilution of investment unit or incurring temporary large expenses relating to acquisition of investment assets or financing activities such as issuance of new investment units. As a result, the Investment Corporation made unitcapital refund from deduction of unitcapital under tax rules amounting to ¥119 per unit.

As a result, total cash distribution per unit for the six months ended January 31, 2020 amounted to ¥3,085.

Fiscal period		21st	22nd	23rd	24th	25th
As of /for the fiscal period ended		January 31, 2018	July 31, 2018	January 31, 2019	July 31, 2019	January 31, 2020
Net income	(Thousands of yen)	4,081,126	4,612,919	4,624,277	5,190,477	5,571,378
Retained earnings carried forward	(Thousands of yen)	245,613	218,599	214,007	204,317	167,392
Total cash distributions	(Thousands of yen)	4,083,640	4,613,984	4,625,875	5,261,848	5,799,849
(Cash distribution per unit)	(Yen)	(10,282)	(2,716)	(2,723)	(2,933)	(3,085)
Profit distributions	(Thousands of yen)	4,081,257	4,612,285	4,624,177	5,190,088	5,572,367
(Profit distribution per unit)	(Yen)	(10,276)	(2,715)	(2,722)	(2,893)	(2,964)
Unitcapital refunds	(Thousands of yen)	2,382	1,698	1,698	71,760	227,481
(Unitcapital refund per unit)	(Yen)	(6)	(1)	(1)	(40)	(121)
Unitcapital refunds from allowance for temporary difference adjustment	(Thousands of yen)	2,382	1,698	1,698	1,794	3,760
(Unitcapital refund per unit from allowance for temporary difference adjustment)	(Yen)	(6)	(1)	(1)	(1)	(2)
Unitcapital refunds from deduction of unitcapital under tax rules	(Thousands of yen)	-	-	-	69,966	223,721
(Unitcapital refund per unit from deduction of unitcapital under tax rules)	(Yen)	(-)	(-)	(-)	(39)	(119)

## 5. Management policies and issues

### (1) Outlook for the overall management

In the logistics and real estate market, the multi-tenant logistics facilities in the metropolitan area in the fourth quarter of 2019 will have the lowest vacancy rate in the past (Reference: CBRE Market View). Preleasing will be steady in the future, so the vacancy rate will remain at a low level. It is also expected that stable use of IIF's properties under management will continue.

On the other hand, business companies need to respond to the needs for automation utilizing AI and other technologies to deal with the shortage of labor and keep pace with changes in technology brought on by advances in IT, and they are highly motivated to invest in facilities. In such circumstances, business companies continue to consider selling real estate to focus on ROE management, and secure capital to invest in their core business. IIF expects that there are still plenty of investment opportunities through its proposal-based acquisition activities in the area of corporate real estate (CRE), which is a strength of IIF.

From now on, due to the spread of novel coronaviruses (COVID-19) in China, IIF will closely monitor the impact on economic fundamentals in Japan and overseas, as well as closely monitor developments in the real estate market and the business conditions of tenants of IIF's properties under management.

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

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

#### I ) External growth

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

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

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

#### II ) Internal growth

As of January 31, 2020, IIF's portfolio consisted of 72 properties for a total acquisition price of 300,567 million yen.

The average occupancy rate as of the end of the period stands at 99.8%. The properties are managed under long-term lease contracts with an average remaining lease period of 7.8 years, generating stable cash flows.

IIF continues to conduct "3C Management Cycle" portfolio management in order to achieve internal growth; that is to realize long-term stable management and enhanced profitability as well as asset value by providing value to tenants. "3C Management Cycle" is a portfolio management method of (i) grasping tenants' true needs through close communication (Communicate); (ii) strategically making custom-made proposals to meet tenants' individual needs (Customize); and (iii) creating unitholder value through long-term stable management coupled with

enhanced profitability and asset value (Create). As a result, during this fiscal period, with regard to IIF Koshigaya Logistics Center, IIF negotiated with the tenant based on the market rent price in anticipation of the expiration of the existing fixed-term building lease agreement at the end of December 2020 and worked to improve profitability by concluding a new fixed-term building lease agreement that will realize rent increase after the fiscal period ending January 2021 (from August 1, 2020 to January 31, 2021). IIF will work to maintain the quality of its portfolio and further improve profitability through efforts based on 3C Management Cycle and by implementing the required management tasks to maintain and improve the functionality, safety and comfort of the buildings it manages and by carrying out suitable repair work as necessary. At the same time, in order to maintain and improve the rent level and prevent cancellations, IIF will continue to exert efforts in building favorable relationships with lessees by continuously making close communications.

### III) Financial strategy

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

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

## 6. Subsequent events

None

# Outline of the Investment Corporation

## 1. Investment unit

Fiscal period	21st	22nd	23rd	24th	25th
As of	January 31, 2018	July 31, 2018	January 31, 2019	July 31, 2019	January 31, 2020
Number of units authorized (Units)	8,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Number of units issued and outstanding (Units)	397,164	1,698,816	1,698,816	1,794,016	1,880,016
Number of unitholders (People)	6,398	7,996	8,921	9,296	8,978

## 2. Unitholders

Major unitholders as of January 31, 2020 were as follows:

Name	Address	Number of units owned (Units)	Ratio of number of units owned to total number of units issued (%) (Note)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	312,258	16.60
Japan Trustee Services Bank, Ltd. (Trust Account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	304,662	16.20
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	82,250	4.37
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo	48,408	2.57
Mizuho Trust & Banking Co., Ltd.	2-1, Yaesu 1-chome, Chuo-ku, Tokyo	35,086	1.86
Mizuho Securities Co., Ltd	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	27,944	1.48
Mitsubishi Corporation	3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	25,600	1.36
The Chugoku Bank, LTD.	15-20, Marunouchi 1-chome, Kita-ku, Okayama	25,029	1.33
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo	23,779	1.26
BNYM AS AGT/CLTS 10 PERCENT	225 LIBERTY STREET, NEW YORK, NY 10286, UNITED STATES	23,389	1.24
<b>Total</b>		<b>908,405</b>	<b>48.31</b>

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

### 3. Officers

#### (1) Directors and independent auditor

(Thousands of yen)

Post	Name	Major additional post	Compensation or fees for the six months ended January 31, 2020
Executive Director (Note 1)	Yasuyuki Kuratsu	CEO of Research and Pricing Technologies Inc.	2,580
Supervisory Director (Note 1)	Katsuaki Takiguchi	Chief of Katsuaki Takiguchi CPA Office	1,620
	Kumi Honda	Attorney of The Tokyo-Marunouchi Law Offices	1,620
	Eiji Sakomoto	Representative Partner of Ginza K.T.C Tax Corporation	1,620
Independent auditor	Ernst & Young ShinNihon LLC	—	(Note 2) 32,500

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

Note 2 The compensation for Independent auditor includes the audit fees for the financial statements prepared in English and the preparation fee of a comfort letter with respect to the issuance of new investment units in December, 2019.

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

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

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

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

# Condition of investment assets

## 1. Composition of assets

Classification of assets	Asset category	Location category (Note1)	Region	As of July 31, 2019		As of January 31, 2020	
				Total of net book value (Millions of yen)	Composition ratio (%) (Note2)	Total of net book value (Millions of yen)	Composition ratio (%) (Note2)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,956	4.1	12,951	4.0
			Osaka and Nagoya metropolitan areas	4,832	1.5	4,850	1.5
			Other area	4,081	1.3	4,080	1.2
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	44,195	14.1	44,011	13.4
			Osaka and Nagoya metropolitan areas	1,998	0.6	1,998	0.6
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Trust beneficial interest in real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	112,371	35.8	111,501	34.0
			Osaka and Nagoya metropolitan areas	46,510	14.8	48,922	14.9
			Other area	26,390	8.4	26,351	8.0
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	7,703	2.5	7,673	2.3
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	13,013	4.1	12,953	4.0
			Osaka and Nagoya metropolitan areas	22,782	7.3	22,626	6.9
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Sub-total				296,837	94.5	297,921	90.8
Investments in Tokumei Kumiai agreement (Note 3)				101	0.0	101	0.0
Bank deposits and other assets				17,148	5.5	29,927	9.2
Total assets				314,087	100.0	327,950	100.0

Note 1 "Location category" is classified as bellow.

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

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

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

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

Note 3 Investments in Tokumei Kumiai agreement is equity interest of silent partnership with Godo Kaisha Industrial Asset Holdings 6 whose investment asset is trust beneficiary interest of OTA Techno CORE.

## 2. Major property

The principal properties (top ten properties in net book value) as of January 31, 2020 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio of rent revenue to total rent revenues (%) (Note 3)	Major use
IIF Haneda Airport Maintenance Center	37,986	81,995.81	81,995.81	100.0	13.7	Infrastructure facility
IIF Kobe District Heating and Cooling Center	15,894	11,476.05	11,476.05	100.0	3.2	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	12,853	27,493.29	27,493.29	100.0	3.8	Logistics facility
IIF Osaka Suminoe Logistics Center I	12,013	52,201.30	52,201.30	100.0	Note 5	Logistics facility
IIF Fukuoka Hakozaki Logistics Center II	10,242	51,385.32	51,385.32	100.0	Note 5	Logistics facility
IIF Mitaka Card Center	9,379	21,615.01	21,615.01	100.0	3.5	Manufacturing and R&D facility, etc.
IIF Osaka Konohana Logistics Center	8,630	46,262.20	46,262.20	100.0	Note 5	Logistics facility
IIF Akishima Logistics Center	8,418	31,071.21	31,071.21	100.0	Note 5	Logistics facility
IIF Shinagawa IT Solution Center	7,910	7,057.03	5,128.71	72.7	Note 5	Infrastructure facility
IIF Kamata R&D Center	7,529	21,896.56	21,896.56	100.0	Note 5	Manufacturing and R&D facility, etc.
Total	130,859	352,453.78	350,525.46	99.5	39.3	

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

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

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

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

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

### 3. Details of property

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of January 31, 2020 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (m <sup>2</sup> ) (Note 2)	Fair value at end of period (Millions of yen) (Note 3)	Net book value (Millions of yen)
IIF Shinonome Logistics Center (Note 4)	13-32, Shinonome 2-chome, Koto-ku, Tokyo	Trust beneficial interest	27,493.29	17,437	12,853
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	9,090	5,280
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	7,530	5,151
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	3,130	1,736
IIF Nishinomiya Logistics Center	2, Nishinomiya-hama 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,000	1,999
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	3,010	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	6,420	4,657
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,120	3,178
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,615.82	3,500	2,294
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,180	1,423
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,620	1,167
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	3,130	2,393
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	4,490	2,116
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	39,567.74	7,780	5,206
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,495.06	3,230	2,501
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	2,930	1,839
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	5,450	3,414
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,140	3,021
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kuranoue-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	2,000	1,489
IIF Inzai Logistics Center	6-1, Matsuzakidai 2-chome, Inzai-shi, Chiba	Trust beneficial interest	5,490.00	1,380	1,014
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,250	567
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	4,520	3,314
IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	8-1, Nagisa-cho, Izumiotsu-shi, Osaka	Trust beneficial interest	48,932.00	4,410	4,178
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-kita, Izumisano-shi, Osaka	Real property	13,947.83	1,050	931
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	7,530	5,664
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	1,010	914

Name of property	Location (Note 1)	Form of ownership	Leasable area (m <sup>2</sup> ) (Note 2)	Fair value at end of period (Millions of yen) (Note 3)	Net book value (Millions of yen)
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,100	1,913
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	9,820	8,630
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	2,840	2,591
IIF Hamura Logistics Center	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	3,892.66	934	928
IIF Fukuoka Hakozaki Logistics Center I	14-31, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	24,967.58	5,380	5,230
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,385.32	11,400	10,242
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	1,980	1,741
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,700	1,571
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,160	1,015
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	14,400	12,013
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	2,810	2,550
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,600	1,386
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,600	2,506
IIF Hitachinaka Port Logistics Center (land with leasehold interest)	768-42, Terunuma aza nagisa, Tokai-mura oaza, Naka-gun, Ibaraki, etc.	Real property	20,000.00	1,210	1,193
IIF Koriyama Logistics Center	213, Aza Mukaihara, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,180	2,538
IIF Kobe Nishi Logistics Center (land with leasehold interest)	10-4, Mitsugaoka 4-chome, Nishi-ku, Kobe-shi, Hyogo	Trust beneficial interest	33,000.00	2,250	2,047
IIF Hyogo Tatsuno Logistics Center	300-2, Tai-san, Nagao, Issaicho, Tatsuno-shi, Hyogo, etc.	Trust beneficial interest	25,186.78	4,400	4,127
IIF Akishima Logistics Center	3928-4, Kohake, Haijicho, Akishima-shi, Tokyo	Trust beneficial interest	31,071.21	8,520	8,418
IIF Gifu Kakamigahara Logistics Center	2-8, Aza Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Trust beneficial interest	16,708.51	2,820	2,502
IIF Totsuka Technology Center (land with leasehold interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	5,380	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,340	1,255
IIF Mitaka Card Center	5-14, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	10,100	9,379
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,380	7,529
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	3,000	1,991
IIF Sagamihara R&D Center	1-35, Minamihashimoto 3-chome, Chuo-ku, Sagamihara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,420	3,334
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,240	3,832
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	30, Tanyo, Kakegawa-shi, Shizuoka	Trust beneficial interest	66,171.92	1,760	1,572
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	195, Tekkadori 3-chome, Urayasu-shi, Chiba	Real property	7,925.94	1,660	1,345

Name of property	Location (Note 1)	Form of ownership	Leasable area (m <sup>2</sup> ) (Note 2)	Fair value at end of period (Millions of yen) (Note 3)	Net book value (Millions of yen)
IIF Yokosuka Technology Center	1-15, Shinmei-cho, Yokosuka-shi, Kanagawa	Trust beneficial interest	13,779.77	4,490	4,235
IIF Shonan Technology Center	1-1, Ichinomiya 6-chome, Samukawa-cho, Koza-gun, Kanagawa	Trust beneficial interest	7,244.71	1,340	1,303
IIF Hiroshima Manufacturing Center (land with leasehold interest)	1461-1, Eba-minami 2-chome, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	23,106.75	1,870	1,693
IIF Totsuka Manufacturing Center (land with leasehold interest)	2277-4, Kamiyabe-cho Aza Kunichiyato, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	19,458.49	2,590	2,413
IIF Atsugi Manufacturing Center (land with leasehold interest)	1-1, Atsugi Morinosato Higashi District Land Readjustment Business area, Kanagawa, Japan., etc. (Lot number) 857, Shimo-furusawa Aza Momijiyama, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	64,327.54	5,320	5,005
IIF Tsukuba Manufacturing Center (land with leasehold interest)	9-1, Kouyodai 1-chome, Ryugasaki-shi, Ibaraki	Real property	17,721.03	1,320	957
IIF Shin-Kawasaki R&D Center	1-2, Shinogura, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	11,894.29	8,540	6,583
IIF Ichikawa Food Processing Center	1-1-2, Higashihama 1-chome, Ichikawa-shi, Chiba, etc.	Trust beneficial interest	27,424.22	6,340	6,408
IIF Gifu Kakamigahara Manufacturing Center (land with leasehold interest)	3, Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Real property	12,551.51	264	249
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	14,500	15,894
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,300	37,986
IIF Zama IT Solution Center	1-78, Higashihara 5-chome, Zama-shi, Kanagawa	Trust beneficial interest	10,931.89	5,530	5,043
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	6,940	5,296
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,340	5,537
IIF Osaka Nanko IT Solution Center	1-23, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	18,429.14	2,430	1,193
IIF Nagoya Port Tank Terminal (land with leasehold interest)	37-31, Shiomi-cho, Minato-ku, Nagoya-shi, Aichi	Real property	51,583.70	2,240	1,998
IIF Shinagawa IT Solution Center	31-18, Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo	Trust beneficial interest	7,057.03	7,170	7,910
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	75-1, Shingo, Higashimatsuyama-shi, Saitama	Real property	12,880.38	756	729
<b>Total</b>			<b>1,601,499.25</b>	<b>356,001</b>	<b>297,921</b>

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

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

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

Note 4 The leasable area of IIF Shinonome Logistics Center (53% of quasi-co-ownership) is calculated multiplying the total leasable area by the share of quasi-co-ownership.

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

Operating results of each property for the fiscal period ended July 31, 2019 and January 31, 2020 were as follows:

Name of property	For the six months ended							
	July 31, 2019				January 31, 2020			
	Number of tenants (Note 1)	Occupancy ratio (%)(Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%)(Note 2)	Number of tenants (Note 1)	Occupancy ratio (%)(Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%)(Note 2)
IIF Shinonome Logistics Center	1	100.0	400	4.0	1	100.0	403	3.8
IIF Noda Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Shinsuna Logistics Center	1	100.0	179	1.8	1	100.0	190	1.8
IIF Atsugi Logistics Center (Note 4)	1	100.0	(Note 3)	(Note 3)	-	-	-	-
IIF Koshigaya Logistics Center	1	100.0	75	0.7	1	100.0	75	0.7
IIF Nishinomiya Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Narashino Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Narashino Logistics Center II (Note 5)	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Atsugi Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Yokohama Tsuzuki Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Saitama Logistics Center	1	100.0	66	0.7	1	100.0	66	0.6
IIF Nagoya Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Atsugi Logistics Center III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kawaguchi Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kobe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Higashi-Osaka Logistics Center	2	97.3	(Note 3)	(Note 3)	2	97.3	(Note 3)	(Note 3)
IIF Kashiwa Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Misato Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Iruma Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Tosu Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Inzai Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Morioka Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hiroshima Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Izumiotsu e-shop Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kyotanabe Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Fukuoka Koga Vehicle Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	For the six months ended							
	July 31, 2019				January 31, 2020			
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%) (Note 2)	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%) (Note 2)
IIF Fukuoka Higashi Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Osaka Konohana Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kazo Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hamura Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Fukuoka Hakozaki Logistics Center I	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
IIF Fukuoka Hakozaki Logistics Center II	5	100.0	(Note 3)	(Note 3)	5	100.0	(Note 3)	(Note 3)
IIF Itabashi Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Sendai Taiwa Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Ota Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Osaka Suminoe Logistics Center I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Osaka Suminoe Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Morioka Logistics Center II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Sapporo Logistics Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hitachinaka Port Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Koriyama Logistics Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Kobe Nishi Logistics Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hyogo Tatsuno Logistics Center (Note 6)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Akishima Logistics Center (Note 6)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Gifu Kakamigahara Logistics Center (Note 7)	-	-	-	-	1	100.0	(Note 3)	(Note 3)
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	154	1.5	1	100.0	154	1.5
IIF Yokohama Tsuzuki Technology Center	1	100.0	59	0.6	1	100.0	59	0.6
IIF Mitaka Card Center	1	100.0	364	3.6	1	100.0	370	3.5
IIF Kamata R&D Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kawasaki Science Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Sagamihara R&D Center	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Yokohama Shinyamashita R&D Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kakegawa Manufacturing Center(Land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	For the six months ended							
	July 31, 2019				January 31, 2020			
	Number of tenants (Note 1)	Occupancy ratio (%)(Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%)(Note 2)	Number of tenants (Note 1)	Occupancy ratio (%)(Note 2)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (%)(Note 2)
IIF Yokosuka Technology Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Shonan Technology Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Hiroshima Manufacturing Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Totsuka Manufacturing Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Atsugi Manufacturing Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Tsukuba Manufacturing Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Shin-Kawasaki R&D Center (Note 6)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Ichikawa Food Processing Center (Note 6)	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
IIF Gifu Kakamigahara Manufacturing Center (land with leasehold interest) (Note 8)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Kobe District Heating and Cooling Center	4	100.0	332	3.3	4	100.0	332	3.2
IIF Haneda Airport Maintenance Center	1	100.0	1,445	14.3	1	100.0	1,442	13.7
IIF Zama IT Solution Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Shinagawa Data Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Osaka Toyonaka Data Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Osaka Nanko IT Solution Center	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Nagoya Port Tank Terminal (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
IIF Shinagawa IT Solution Center	7	98.9	(Note 3)	(Note 3)	6	72.7	(Note 3)	(Note 3)
IIF Higashimatsuyama Gas Tank Maintenance Center (land with leasehold interest)	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
<b>Total (Note 9)</b>	<b>95</b>	<b>100.0</b>	<b>10,131</b>	<b>100.0</b>	<b>94</b>	<b>99.8</b>	<b>10,562</b>	<b>100.0</b>

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

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

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

Note 4 IIF sold 50% quasi-co-ownership interest of the property on March 29, 2019 and remaining 50% interest on August 1, 2019.

Note 5 As the Investment Corporation invests in IIF Narashino Logistics Center II both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately. Therefore, "Number of tenants" shows total of the number of tenant of leased land and that of the building.

Note 6 The property was acquired on June 3, 2019.

Note 7 The property was acquired on December 19, 2019.

Note 8 The property was acquired on July 16, 2019.

Note 9 The total column of "Occupancy ratio" shows percentage of total leased area against total leasable area at the end of accounting period. Figures are rounded to the nearest first decimal place.

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

None

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

None

#### 6. Details of investment securities

The investment in Tokumei Kumiai (“TK”) agreements as January 31, 2020 were as follows:

Name	Classification of assets	Quantity	Net book value (Millions of yen)		Fair value (Note1) (Millions of yen)		Valuation	Remarks
			Per unit	Amount	Per unit	Amount		
Tokumei Kumiai interest in Godo Kaisha Industrial Asset Holdings 6	Investments in Tokumei Kumiai agreement	—	—	101	—	118	16	—
<b>Total</b>		—	—	101	—	118	16	

Note 1 The value of the investments in Tokumei Kumiai agreements, or TK, represents the proportionate ownership of the net asset value of the TK. The net asset value of the TK is determined as the difference between the assets owned by the TK, which is comprised properties which are, per the Investment Corporation's policy, valued by discount cash flow model and financial assets which are valued as appropriate per generally accepted accounting standards, and liabilities held by the TK. The method used to determine the value of the TK is not consistent with a method used to determine the fair value of the investments in TK as financial assets (please refer to “Note 17 - Financial instruments, (b) Quantitative information for financial instruments, Note (2) Financial instruments for which fair value is difficult to determine” in the accompanying financial statements).

Note 2 The investment asset held by the TK is as follows:

Name	Investment asset	Location of property
Tokumei Kumiai interest in Godo Kaisha Industrial Asset Holdings 6	Trust beneficial interest in Higashi kojiya 6-chome Rental Factory (OTA Techno CORE)	4-17, Higashi kojiya 6-chome, Ota-ku, Tokyo

#### 7. Details of specified transaction

The details of specified transaction as of January 31, 2020 were as follows:

Classification	Transaction	Notional contract amount		Fair value (Note 1)
			Over 1 year	(Millions of yen)
Over-the-counter	Interest rate swaps (Floating-rate to fixed-rate interest)	36,600	33,600	(1,075)
<b>Total</b>		36,600	33,600	(1,075)

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

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

#### 8. Other assets

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

There was no other significant specified asset as of January 31, 2020.

## Capital expenditures for property

### 1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of January 31, 2020 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended January 31, 2020	Total of advanced payment
IIF Sagamihara R&D Center	Sagamihara-shi, Kanagawa	Renewal of outside air conditioner	July, 2020	96	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal of main parts of elevator (2 period / 3 periods)	June, 2020	60	-	-
IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	LED lighting equipment	January, 2020 to March, 2020	55	-	-

### 2. Capital expenditures for the six months ended January 31, 2020

Maintenance expenditures on property for the six months ended January 31, 2020 were totaling to ¥876 million consisting of ¥788 million of capital expenditures stated as below and ¥87 million of repair and maintenance expenses charged to income.

(Millions of yen)

Name of property	Location	Purpose	Term for construction or maintenance	Capital expenditures
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal of main parts of elevator (1 period / 3 periods)	August, 2019 to October, 2019	59
IIF Nishinomiya Logistics Center	Kobe-shi, Hyogo	Repair of the outer wall of Building 1 (North, East, South)	November, 2019 to January, 2020	53
Other	-	-	-	675
Total				788

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

None

## Condition of expenses and liabilities

### 1. Details of asset management expenses

(Thousands of yen)

Item	24th fiscal period	25th fiscal period
	For the six months ended July 31, 2019	For the six months ended January 31, 2020
(a) Asset management fees	898,922	971,774
(b) Asset custody fees	6,664	7,098
(c) Administrative service fees	33,002	36,387
(d) Directors' compensations	7,440	7,440
(e) Other operating expenses	110,092	114,528
<b>Total</b>	<b>1,056,121</b>	<b>1,137,229</b>

### 2. Loans payable

Loans payable as of January 31, 2020 were as follows:

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2019 (Millions of yen)	January 31 2020 (Millions of yen)					
Long-term loans payable	Mizuho Bank, Ltd. (Note 2)	March 30, 2012	1,500	1,500	1.6 (Note 3)	March 31, 2020	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 30, 2012	1,000	1,000	2.2	March 29, 2024	Lump sum	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 30, 2012	2,000	2,000	1.9	March 29, 2022	Lump sum	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 30, 2012	500	500	1.9 (Note 3)	March 31, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company (Note 2)	June 29, 2012	1,000	1,000	1.4	June 30, 2020	Lump sum	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	September 28, 2012	1,626	-	1.2 (Note 3)	September 30, 2019	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 6, 2013	1,000	1,000	1.8	February 5, 2025	Lump sum	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2013	2,534	2,534	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		966	966					
	Sumitomo Mitsui Banking Corporation	February 6, 2013	500	500	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	February 6, 2013	1,000	1,000	1.5 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	February 6, 2013	500	500	1.6	February 6, 2023	Lump sum	Note 5	Unsecured and unguaranteed
	Shinsei Bank, Limited	February 6, 2013	500	500	1.4 (Note 3)	February 6, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2013	362	362	1.2 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		138	138					
	Sumitomo Mitsui Banking Corporation	February 6, 2013	500	500	1.2 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	June 28, 2013	2,000	2,000	1.8	June 28, 2024	Lump sum	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 28, 2013	2,500	2,500	1.7 (Note 3)	June 30, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
Mizuho Bank, Ltd.	June 28, 2013	1,500	1,500	1.6 (Note 3)	June 30, 2022	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2019 (Millions of yen)	January 31 2020 (Millions of yen)					
Long-term loans payable	The Nomura Trust and Banking Co., Ltd. (Note 2)	June 28, 2013	500	500	1.2 (Note 3)	June 30, 2020	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Resona Bank, Limited (Note 2)		500	500					
	The Yamaguchi Bank, Ltd. (Note 2)		500	500					
	MUFG Bank, Ltd.	October 18, 2013	7,500	7,500	1.4 (Note 3)	October 18, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	December 30, 2013	2,000	2,000	1.4 (Note 3)	December 29, 2023	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2014	700	700	1.3	August 6, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 6, 2014	900	900	1.2 (Note 3)	February 6, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	February 6, 2014	500	500	1.1	August 4, 2023	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Nishi-Nippon City Bank, Ltd.	February 6, 2014	500	500	1.0 (Note 3)	August 5, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 6, 2014	868	868	0.9 (Note 3)	February 4, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		331	331					
	Development Bank of Japan Inc.	March 13, 2014	1,000	1,000	1.7	March 13, 2026	Lump sum	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 13, 2014	724	724	1.7 (Note 3)	March 13, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		276	276					
	MUFG Bank, Ltd.	March 13, 2014	1,158	1,158	1.3 (Note 3)	March 13, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		441	441					
	MUFG Bank, Ltd.	March 16, 2015	1,350	1,350	1.0	March 14, 2025	Lump sum	Note 5	Unsecured and unguaranteed
	Shinsei Bank, Limited	March 16, 2015	850	850	1.0 (Note 3)	March 14, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 16, 2015	850	850	1.0 (Note 3)	March 14, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 16, 2015	2,570	2,570	0.9 (Note 3)	September 13, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		979	979					
	The Chugoku Bank, LTD.	March 16, 2015	700	700	0.7 (Note 3)	September 15, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2015	1,000	1,000	1.3	March 31, 2027	Lump sum	Note 5	Unsecured and unguaranteed
	Meiji Yasuda Life Insurance Company	March 31, 2015	850	850	1.2	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2015	1,500	1,500	1.0	March 31, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2015	832	832	0.9 (Note 3)	September 30, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		317	317					
	Mizuho Bank, Ltd.	April 15, 2016	800	800	0.5 (Note 3)	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	April 15, 2016	800	800	0.5	March 31, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	August 31, 2016	2,000	2,000	0.4	August 31, 2026	Lump sum	Note 6	Unsecured and unguaranteed
MUFG Bank, Ltd.	February 17, 2017	1,600	1,600	0.5	August 15, 2025	Lump sum	Note 5	Unsecured and unguaranteed	
MUFG Bank, Ltd.	March 6, 2017	3,255	3,255	0.6	March 6, 2026	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		1,244	1,244						
MUFG Bank, Ltd.	March 6, 2017	2,170	2,170	0.7	September 4, 2026	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		829	829						
Sumitomo Mitsui Banking Corporation	March 6, 2017	1,500	1,500	0.5	March 6, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed	
MUFG Bank, Ltd.	March 17, 2017	2,099	2,099	0.6	September 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
Sumitomo Mitsui Trust Bank, Limited		800	800						
MUFG Bank, Ltd.	March 17, 2017	1,000	1,000	0.5	March 17, 2026	Lump sum	Note 5	Unsecured and unguaranteed	
Development Bank of Japan Inc.	March 17, 2017	1,000	1,000	0.9	March 16, 2029	Lump sum	Note 5	Unsecured and unguaranteed	

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2019 (Millions of yen)	January 31 2020 (Millions of yen)					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 17, 2017	1,500	1,500	0.5	March 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 17, 2017	1,000	1,000	0.6	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Nishi-Nippon City Bank, Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	March 17, 2017	1,000	1,000	0.7	March 17, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Norinchukin Bank	March 17, 2017	1,000	1,000	0.5	March 17, 2025	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2017	4,054	4,054	0.6	September 30, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,545	1,545					
	MUFG Bank, Ltd.	March 31, 2017	1,000	1,000	0.7	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 31, 2017	600	600	0.5	March 31, 2025	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Shinsei Bank, Limited	March 31, 2017	1,000	1,000	0.7	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2017	1,300	1,300	0.8	March 30, 2029	Lump sum	Note 6	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 31, 2017	1,200	1,200	0.6	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 29, 2017	2,791	2,791	0.3	September 30, 2022	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,009	1,009					
	MUFG Bank, Ltd.	September 29, 2017	2,938	2,938	0.7	September 30, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,062	1,062					
	MUFG Bank, Ltd.	September 29, 2017	2,791	2,791	0.9	September 28, 2029	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,009	1,009					
	MUFG Bank, Ltd.	February 1, 2018	2,099	2,099	0.5	August 1, 2024	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		800	800					
	JAPAN POST INSURANCE Co., Ltd.	February 1, 2018	2,300	2,300	0.9	February 1, 2030	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		100	100					
	Mizuho Bank, Ltd.	February 1, 2018	700	700	0.7	February 1, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 27, 2018	2,500	2,500	0.7	August 31, 2028	Lump sum	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	February 27, 2018	2,500	2,500	0.9	February 28, 2030	Lump sum	Note 6	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 7, 2018	400	400	0.7	September 7, 2028	Lump sum	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 7, 2018	400	400	0.6	September 7, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	March 7, 2018	400	400	0.6	March 7, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 7, 2018	1,100	1,100	0.6	March 7, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 9, 2018	1,808	1,808	0.3	September 9, 2021	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		692	692					
	MUFG Bank, Ltd.	March 9, 2018	3,618	3,618	0.7	March 9, 2028	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,382	1,382					
	MUFG Bank, Ltd.	March 9, 2018	724	724	0.8	March 9, 2029	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		276	276					
	MUFG Bank, Ltd.	March 30, 2018	796	796	0.3	September 30, 2021	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		303	303					
	MUFG Bank, Ltd.	March 30, 2018	434	434	0.6	September 30, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		165	165					
Development Bank of Japan Inc.	March 30, 2018	1,200	1,200	0.7	September 29, 2028	Lump sum	Note 5	Unsecured and unguaranteed	
Sumitomo Mitsui Banking Corporation	March 30, 2018	1,000	1,000	0.3	September 30, 2021	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	
Sumitomo Mitsui Banking Corporation	March 30, 2018	600	600	0.6	September 30, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed	

Classification	Name of lender	Borrowing date	Balance as of		Average interest rate (%) (Note 1)	Maturity date	Repayment method	Use of proceeds	Remarks
			July 31 2019 (Millions of yen)	January 31 2020 (Millions of yen)					
Long-term loans payable	Mizuho Bank, Ltd.	March 30, 2018	500	500	0.6	March 31, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 29, 2019	500	500	0.5	March 31, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 29, 2019	1,500	1,500	0.2	March 29, 2024	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 29, 2019	1,000	1,000	0.4	September 30, 2027	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 29, 2019	1,000	1,000	0.5	September 29, 2028	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 29, 2019	3,274	3,274	0.5	March 29, 2029	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	MUFG Bank, Ltd.	May 31, 2019	1,000	1,000	0.2	November 30, 2021	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	May 31, 2019	900	900	0.4	November 30, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	800	800	0.2	May 31, 2022	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	800	800	0.4	November 30, 2026	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	The Norinchukin Bank	May 31, 2019	1,000	1,000	0.3	August 2, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	May 31, 2019	800	800	0.4	November 30, 2027	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	May 31, 2019	800	800	0.4	November 30, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	May 31, 2019	1,000	1,000	0.4	May 31, 2028	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	May 31, 2019	1,000	1,000	0.5	May 31, 2029	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Shinsei Bank, Limited	May 31, 2019	1,000	1,000	0.5	May 31, 2029	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Development Bank of Japan Inc.	May 31, 2019	1,600	1,600	0.6	May 31, 2030	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	Nippon Life Insurance Company	May 31, 2019	1,500	1,500	0.6	May 31, 2030	Lump sum (Note 4)	Note 5	Unsecured and unguaranteed
	MUFG Bank, Ltd.	June 28, 2019	583	583	0.5	November 30, 2028	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2019	-	1,626	0.3	September 29, 2028	Lump sum (Note 4)	Note 6	Unsecured and unguaranteed
	Sub-total		146,583	146,583					
	Total		146,583	146,583					

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

Note 2 These long-term loans payable are current portion as of January 31, 2020.

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

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

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

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

### 3. Investment corporation bonds

Name of bonds	Issuance date	Balance as of		Interest rate (%)	Maturity date	Repayment method	Use of proceeds	Remarks
		July 31, 2019 (Millions of yen)	January 31, 2020 (Millions of yen)					
The 2 <sup>nd</sup> Unsecured Investment Corporation Bond	December 27, 2012	5,000	5,000	1.40	December 27, 2022	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 3 <sup>rd</sup> Unsecured Investment Corporation Bond	June 26, 2014	2,000	2,000	0.89	June 26, 2024	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 4 <sup>th</sup> Unsecured Investment Corporation Bond	December 26, 2016	3,000	3,000	0.40	December 25, 2026	Lump sum (Note)	Repayment of investment corporation bonds	Unsecured and unguaranteed
Total		10,000	10,000					

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

### 4. Short-term investment corporation bonds

None

### 5. Investment unit warrants

None

## Condition of investment transactions

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

(Millions of yen)

	Name of real property, etc.	Acquisition		Disposition			
		Date of acquisition	Acquisition cost (Note)	Date of disposition	Disposition amount (Note)	Net book value	Gain (loss) on disposition
Trust beneficial interest	IIF Gifu Kakamigahara Logistics Center	December 19, 2019	2,343	-	-	-	-
	IIF Atsugi Logistics Center (50% of quasi-co-ownership)	-	-	August 1, 2019	1,280	747	485
Total			2,343		1,280	747	485

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

### 2. Transactions of other assets

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

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

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

(Millions of yen)

Acquisition /Disposition	Name of property	Date of acquisition /disposition	Acquisition Cost /Disposition amount (Note 1)	Appraisal value	Name of appraiser	Date of appraisal
Acquisition	IIF Gifu Kakamigahara Logistics Center	December 19, 2019	2,343	2,810	Tanizawa Sōgō Appraisal Co., Ltd.	November 1, 2019
Disposition	IIF Atsugi Logistics Center (50% of quasi-co-ownership)	August 1, 2019	1,280	1,080 (Note 2)	Japan Real Estate Institute	July 31, 2019

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

Note 2 The appraisal value of IIF Atsugi Logistics Center is corresponding to 50% of the share of quasi-co-ownership disposed.

#### (2) Investment securities

None

#### (3) Other transaction

None

## 4. Transactions with interested parties

### (1) Outline of transactions

None

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

(Thousand of yen)

Classification	Total amount (A)	Transactions with interested parties or major shareholders		
		Name of counter party	Amount of payment (B)	(B) / (A)
Facility management fees	146,105	NIKKEN CORPORATION	4,297	2.9%

Note 1 "Interested parties" means the interested parties related with the asset management company of the Investment Corporation as prescribed under Article 26, Item 27 of the Regulations for Management Reports by Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

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

None

## Financial information

### 1. Financial position and operating results

Please refer to the accompanying financial statements.

### 2. Changes in depreciation method

None

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

None

## Outline of overseas real estate investment corporation

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

None

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

None

## Other information

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

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

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

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

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

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

Date	Number of investment units held at end of period (Units)	Aggregated value of investment units held at end of period (Thousands of yen) (Note 1)	Ratio of number of investment units held to number of investment units issued and outstanding
The 16th fiscal period (January 1, 2015 to June 30, 2015)	1,200	663,600	0.3%
The 17th fiscal period (July 1, 2015 to December 31, 2015)	1,200	691,200	0.3%
The 18th fiscal period (January 1, 2016 to June 30, 2016)	1,200	687,600	0.3%
The 19th fiscal period (July 1, 2016 to December 31, 2016)	1,200	668,400	0.3%
The 20th fiscal period (January 1, 2017 to July 31, 2017)	1,200	598,800	0.3%
The 21st fiscal period (August 1, 2017 to January 31, 2018)	1,200	599,040	0.3%
The 22nd fiscal period (February 1, 2018 to July 31, 2018)	4,800	578,880	0.3%
The 23rd fiscal period (August 1, 2018 to January 31, 2019)	4,800	558,240	0.3%
The 24th fiscal period (February 1, 2019 to July 31, 2019)	4,800	683,520	0.3%
The 25th fiscal period (August 1, 2019 to January 31, 2020)	4,800	800,640	0.3%

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

## 2. Notice

Execution or modification of significant agreement approved by the Board of Directors of IIF for the six months ended January 31, 2020 was as follows:

Approval day	Item	Summary
November 29, 2019	Underwriting agreements of new investment units	In connection with the offering of new investment units, the Board of Directors of IIF approved entering into the underwriting agreements with Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd. as joint domestic coordinator, and Morgan Stanley & Co. International plc, Nomura International plc, SMBC Nikko Capital Markets Limited and Citigroup Global Markets Limited as international joint lead managers.

## 3. Other

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