

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JULY 31, 2021

September 15, 2021

Name of issuer:	Industrial & Infrastructure Fund Investment Corporation ("the Investment Corporation")
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	3249
Website:	https://www.iif-reit.com/english/
Representative of the Investment Corporation:	Kumi Honda, Executive Director
Name of asset manager:	Mitsubishi Corp.-UBS Realty Inc.
Representative of the asset manager:	Katsuji Okamoto, President & CEO
Contact:	Hidehiko Ueda, Executive Officer Head of Industrial Division Tel: (03)5293-7091
Scheduled date for filing of securities report:	October 28, 2021
Scheduled date for distributions payment:	October 18, 2021
Supplementary materials for financial results:	Otherwise prepared
Analyst meeting:	Scheduled

(Amounts of less than one million yen are rounded down)

1. Financial results for the six months ended July 31, 2021 (February 1, 2021 to July 31, 2021)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended July 31, 2021	15,349	10.5	7,642	0.4	6,665	0.7	6,663	0.7
January 31, 2021	13,892	26.5	7,614	21.9	6,618	24.4	6,617	24.5

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income
	Yen	%	%	%
For the six months ended July 31, 2021	3,219	3.5	1.6	43.4
January 31, 2021	3,215	3.8	1.8	47.6

(2) Distributions

	Distribution per unit (including distributions in excess of profit)	Distribution per unit (excluding distributions in excess of profit)	Distribution per unit in excess of profit	Total distributions (including distributions in excess of profit)	Total distributions (excluding distributions in excess of profit)	Total distributions in excess of profit	Payout ratio	Ratio of distributions to net assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen	%	%
For the six months ended July 31, 2021	3,266	3,219	47	6,760	6,663	97	100.0	3.5
January 31, 2021	3,201	3,197	4	6,626	6,617	8	100.0	3.7

Note 1: All of distribution per unit in excess of profit for the six months ended July 31, 2021 amounting to ¥47 consist of allowance for temporary difference adjustment.

Note 2: All of distribution per unit in excess of profit for the six months ended January 31, 2021 amounting to ¥4 consist of allowance for temporary difference adjustment.

Note 3: Payout ratio for the six months ended January 31, 2021 is calculated by following formula, as new investment units were issued during the period.

Payout ratio = Total distributions (excluding distributions in excess of profit) ÷ Net income × 100

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2021	407,428	190,116	46.7	91,842
January 31, 2021	406,290	190,053	46.8	91,812

(4) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
For the six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2021	17,184	(1,297)	(6,628)	45,619
January 31, 2021	11,595	(44,396)	52,026	36,360

2. Outlook for the six months ending January 31, 2022 (August 1, 2021 to January 31, 2022) and July 31, 2022 (February 1, 2022 to July 31, 2022)

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2022	16,481	7.4	6,766	-11.5	5,763	-13.5	5,761	-13.5
July 31, 2022	16,188	-1.8	6,968	3.0	5,999	4.1	5,997	4.1

	Net income per unit	Distribution per unit (including distributions in excess of profit)	Distributions per unit (excluding distributions in excess of profit)	Distributions in excess of profit per unit
For the six months ending	Yen	Yen	Yen	Yen
January 31, 2022	2,783	3,046	2,783	263
July 31, 2022	2,897	3,070	2,599	471

※ Others

(1) Changes in accounting policies and accounting estimates or restatements

Changes in accounting policies due to accounting standards revision: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: Applicable

Restatements: None

(2) Number of investment units issued

Number of investment units issued at the end of period (including own investment units):

As of July 31, 2021 2,070,016 units

As of January 31, 2021 2,070,016 units

Number of own investment units at the end of period:

As of July 31, 2021 0 units

As of January 31, 2021 0 units

Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 27.

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “B. Outlook for the next period” on page 4.

1. Results of Operation

(1) Operations

A. Operations during the period

i. 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 74 properties whose total acquisition price amounted to 360,919 million yen as of July 31, 2021.

ii. Investment environment and management performance

In the fiscal period (February 2021 to July 2021), Japanese economy has showed signs of recovery in business sentiment, particularly in the manufacturing industry, amid the gradual spread of vaccines for the COVID-19. However, the spread of COVID-19 continues, and the outlook is likely to remain uncertain. Closely monitoring the impact of the new coronavirus pandemic and changes in the capital markets is needed continuously.

Under these circumstances, IIF is continuing its sourcing activities from the standpoint of proposing CREs (Corporate Real Estate) as its strengths. During this fiscal period, IIF disposed 3 properties, IIF Hiroshima Manufacturing Center (land with leasehold interest), IIF Tsukuba Manufacturing Center (land with leasehold interest) and IIF Zama IT Solution Center in terms of long-term usability, versatility and profitability in purpose of establishment of mid to long term stable portfolio.

As a result, assets held by IIF as of July 31, 2021 totaled 360,919 million yen, including 46 logistics facilities, 20 manufacturing and R&D facilities, and 8 infrastructure facilities. As of July 31, 2021, the average occupancy rate was 100.0% and IIF keeps high occupancy conditions.

iii. Funding

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

a) Debt Financing

During this fiscal period, IIF raised no fund by means of debt financing. The total amount of IIF’s interest-bearing debt as of July 31, 2021 is 194,383 million yen, which is comprised of 184,383 million yen in long-term loans (including long-term loans to be repaid within one year), and 10,000 million yen in investment corporation bonds.

b) Equity Financing

During this fiscal period, IIF raised no fund by means of equity financing

iv. Overview of financial results and distributions

As a result of the above management activities, IIF recorded operating revenue of 15,349 million yen, operating income of 7,642 million yen, ordinary income of 6,665 million yen and net income of 6,663

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 6,663,381,504 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 97,290,752 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 3,266 yen.

B. Outlook for the next period

i. Issues to be solved and management policy going forward

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

a) 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.

b) Internal growth

As of July 31, 2021, IIF's portfolio consisted of 74 properties for a total acquisition price of 360,919 million yen.

The average occupancy rate as of the end of the period stands at 100.0%. The properties are managed under long-term lease contracts with an average remaining lease period of 9.9 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 Atsugi Logistics Center III, IIF has decided on the redevelopment project through planning to build a cold storage facility in collaboration with Tokyo Logistics Factory Co., Ltd., which is the current tenant. IIF proposed redevelopment of a cold storage facility, of which demand is expanding, capturing the needs for a new facility of the end tenant by leveraging the favorable relationship with Tokyo Logistics Factory Co., Ltd. As a result, IIF expects to improve the profitability, continue long-term and stable lease contract and realize improvement of asset value. In addition, looking the termination schedule of the fixed-term building lease contracts with the existing tenant at IIF Fukuoka Hakozaki Logistics Center I and the existing tenant at IIF Fukuoka Hakozaki Logistics Center II which occupies about 25% of the total leasable area, IIF discussed with the tenants considering the market rent. In the discussion, IIF captured the needs for improvement of the working environment within the facility at IIF Fukuoka Hakozaki Logistics Center II. After solving the needs, IIF concluded the new fixed-term building lease contracts to increase rent with the tenants and achieved improvement of profitability from the next fiscal year onward. 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.

c) 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.

ii. Earnings forecast for the next fiscal period

The forecasts of operating results for the fiscal period ending January 31, 2022 (August 1, 2021 to January 31, 2022) are operating revenue of 16,481 million yen, ordinary income of 5,763 million yen, net income of 5,761 million yen and distributions per unit of 3,046 yen (including a distribution per unit in excess of profit of 263 yen). For the assumptions regarding these forecasts, refer to the following "Earnings Forecast Assumptions for the 29th Fiscal Period (August 1, 2021 to January 31, 2022) and the 30th Fiscal Period (February 1, 2022 to July 31, 2022)".

The main changes from the 28th Fiscal Period (February 1, 2021 to July 31, 2021) include the following.

Operating revenue (increase of 1,131 million yen from the previous fiscal period)

- Increase in rental revenue from the three properties acquired (to be acquired) in the fiscal period ending January 31, 2022 (August 1, 2021 to January 31, 2022) (partial contribution)
- Decrease in rental revenue from the four properties disposed in the fiscal period ended July 31, 2021 (February 1, 2021 to July 31, 2021) and the fiscal period ending January 31, 2022 (August 1, 2021 to January 31, 2022)

Operating expense (increase of 2,008 million yen from the previous fiscal period)

- Increase in rental expenses for the three properties acquired (to be acquired) in the fiscal period ending January 31, 2022 (August 1, 2021 to January 31, 2022) (partial contribution)
- Increase in depreciation of redevelopment project of IIF Atsugi Logistics Center III
- Taxes and public charges expensed on the 7 properties acquired in 2020 (full contribution).

(Reference)

The forecasts of operating results for the fiscal period ending July 31, 2022 (February 1, 2022 to July 31, 2022) are operating revenue of 16,188 million yen, ordinary income of 5,999 million yen, net income of 5,997 million yen and distributions per unit of 3,070 yen (including a distribution per unit in excess of profit of 471 yen). For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 29th Fiscal Period (August 1, 2021 to January 31, 2022) and the 30th Fiscal Period (February 1, 2022 to July 31, 2022)”.

Note1: The above forecasts are based on current assumptions. Actual net income and distribution may fluctuate depending on changes in circumstances. The forecasts don't guarantee of the amount of distribution.

Note2: Until the previous fiscal year, forecast of one fiscal period was disclosed as a rule. However, as the number of properties increases and the management of funds diversifies, such as the acquisition of new asset classes and the implementation of redevelopment project, IIF believes that forecasts of two fiscal periods lead to useful information to unitholders and thus IIF discloses forecast for the full year (two fiscal periods) from this fiscal period.

【Attachment】

Earnings Forecast Assumptions for the 29th Fiscal Period (August 1, 2021 to January 31, 2022) and the 30th Fiscal Period (February 1, 2022 to July 31, 2022)

Item	Assumption								
Accounting period	29th Fiscal Period from August 1, 2021 to January 31, 2022 (184 days) 30th Fiscal Period from February 1, 2022 to July 31, 2022 (181 days)								
Assets owned	<p>In addition to the real estate and trust beneficial interest in real estate for the 74 properties owned by IIF as of July 31, 2021, it is assumed that it acquires (will acquire) the following properties (including additional acquisition of co-ownership interest, IIF Shonan Health Innovation Park (40% co-ownership interest), and acquisition of the expanded floor area regarding to expansion project of IIF Atsugi Manufacturing Center) and disposes the following property. The (anticipated) acquisition and disposition dates are as follows.</p> <p>< Properties acquired (to be acquired)></p> <table border="1"> <tr> <td>IIF Shonan Health Innovation Park (40% co-ownership interest)</td><td>Acquired on August 2, 2021</td></tr> <tr> <td>IIF Yokkaichi Logistics Center (Existing Building)</td><td>Anticipated to be acquired on December 13, 2021</td></tr> <tr> <td>IIF Atsugi Manufacturing Center (Expansion)</td><td>Anticipated to be acquired on January 20, 2022</td></tr> </table> <p>< Properties disposed></p> <table border="1"> <tr> <td>IIF Shinagawa IT Solution Center</td><td>Disposed on August 2, 2021</td></tr> </table> <p>It is assumed that there is no change in the properties until the end of July 2022, however, there may be a change due to the acquisition or disposition of our properties in actual.</p>	IIF Shonan Health Innovation Park (40% co-ownership interest)	Acquired on August 2, 2021	IIF Yokkaichi Logistics Center (Existing Building)	Anticipated to be acquired on December 13, 2021	IIF Atsugi Manufacturing Center (Expansion)	Anticipated to be acquired on January 20, 2022	IIF Shinagawa IT Solution Center	Disposed on August 2, 2021
IIF Shonan Health Innovation Park (40% co-ownership interest)	Acquired on August 2, 2021								
IIF Yokkaichi Logistics Center (Existing Building)	Anticipated to be acquired on December 13, 2021								
IIF Atsugi Manufacturing Center (Expansion)	Anticipated to be acquired on January 20, 2022								
IIF Shinagawa IT Solution Center	Disposed on August 2, 2021								
Interest-bearing debt	<p>The total amount of interest-bearing debt as of July 31, 2021 was 194,383 million yen, consisting of long-term debt of 184,383 million yen and investment corporation bonds of 10,000 million yen. IIF has issued the 5th Investment Corporation of 3,000 million yen and the 6th Investment Corporation of 2,000 million yen (total of 5,000 million yen) on September 7, 2021 and the short-term loan of 5,000 million yen borrowed on August 2, 2021 was repaid on September 10, 2021 prior to the maturity date. Long-term debt due by the end of the 29th fiscal period of 5,600 million yen and long-term debt due by the end of the 30th fiscal period of 7,000 million yen (total of 12,600 million yen) are scheduled to be refinanced by long-term debt of the same amount. As a result, it is assumed that the total interest-bearing debt as of the end of January 2022 and the end of July 2022 is 199,383 million yen.</p>								
Operating revenues	<p>IIF has estimated the rent revenues taking into consideration market environment, characteristic of individual property, competitiveness of properties and status of individual tenant including a plan for evacuation, based on effective lease agreements during the 29th fiscal period and the 30th fiscal period. It is assumed that there is no arrears or non-payments of rent during the 29th fiscal period and the 30th fiscal period based on the assumptions described in “Assets owned” above. In addition, with regard to IIF Atsugi Logistics Center III, where the redevelopment project is being implemented, it is assumed that no rent revenue is generated from the beginning of the 30th fiscal period.</p>								

Operating expenses	<p>Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 29th period is forecast to be approximately 1,277 million yen and approximately 916 million yen, respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 30th period is forecast to be approximately 1,353 million yen and approximately 1,124 million yen (including approximately 275 million yen of demolition cost of existing building of IIF Atsugi Logistics Center III), respectively.</p> <p>Fixed property tax and city planning tax, which are settled according to the number of days owned by the previous owner in connection with the new acquisition of the property, are not recorded as expenses included in the acquisition cost, but are recorded as expenses from the following year. Accordingly, fixed property tax, city planning tax, and depreciable property tax relating to the properties acquired (to be acquired) described in the above "Assets owned" will be recorded as expenses from the 30th fiscal period. Fixed property tax, city planning tax and depreciable property tax, which are included in the acquisition cost of the properties acquired (to be acquired), are assumed to be approximately 131 million yen.</p> <p>Depreciations including ancillary expenses for the 29th fiscal period and the 30th fiscal period are calculated based on the straight-line method and are estimated to be approximately 2,477 million yen and approximately 1,974 million yen, respectively.</p> <p>Calculation of external outsourcing expenses (property management fees, building management fees, etc.) is based on actual results thus far.</p>
Non-operating expenses	<p>IIF estimate the non-operating expenses (the interest expenses, other debt-related expenses, etc.) for the 29th fiscal period and for the 30th fiscal period will be approximately 1,002 million yen and approximately 969 million yen, respectively.</p> <p>IIF estimate the amortization of the cost concerning the issuance of new investment units for the 29th fiscal period and for the 30th fiscal period will be approximately 49 million yen and approximately 43 million yen, respectively.</p>
Extraordinary gain or loss	No extraordinary gain or loss is expected for the 29th fiscal period and for the 30th fiscal period.
Total number of units issued	It is assumed that the total number of issued investment units as of the submission date is 2,070,016.
Distribution per unit (excluding distribution in excess of retained earnings and optimal payable distribution)	It is assumed that net income excluding amounts less than 1 yen per unit is distributed in its entirety. In the 30th fiscal period, it is assumed that the entire amount remaining after deducting the reversal of the allowance for temporary difference adjustments from net income is distributed excluding amounts less than 1 yen per unit. The calculation of distribution per unit for the 29th fiscal period and for the 30th fiscal period is based on the assumption that fluctuations in the fair value of interest rate swaps have no impact on distributions per unit.
Distribution in excess of retained earnings per unit (allowance for temporary difference adjustments)	<p>(1) With respect to IIF Kazo Logistics Center, which IIF acquired on September 1, 2016, IIF Hamura Logistics Center, which IIF acquired on December 22, 2016, IIF Ichikawa Food Processing Center, which IIF acquired on June 3, 2019, and IIF Yokohama Tsuzuki R&D Center, which IIF acquired on March 2, 2020, IIF recorded asset retirement obligations related to asbestos removal and expects to record an allowance for temporary difference adjustment for tax accounting discrepancies related to interest costs on such asset retirement obligations and depreciation expenses relating to buildings, etc.</p> <p>(2) In the 29th fiscal period, IIF expects to record an allowance for temporary difference adjustments for avoiding tax burden from inconsistency between taxation and accounting regarding depreciation due to a change in the estimated useful lives of existing buildings, etc. for the implementation of a redevelopment project at IIF Atsugi Logistics Center III.</p> <p>(3) It is assumed that the demolition of existing building, etc. of IIF Atsugi Logistics Center III is completed in the 30th fiscal period. As a result, the inconsistency between taxation and accounting regarding depreciation will be eliminated and IIF will reverse an allowance for temporary difference adjustments (totaling approximately 625 million yen) recorded (to be recorded) in the 28th fiscal period</p>

	<p>and the 29th fiscal.</p> <p>As a result of all the above, the assumptions for the 29th and the 30th fiscal periods are as follows.</p> <p>In the 29th fiscal period, IIF expects to distribute in excess profits (an allowance for temporary difference adjustments) of 263 yen per unit (breakdown: (1) 4 yen per unit and (2) 259 yen per unit).</p> <p>In the 30th fiscal period, it is assumed that no distribution in excess of profits (allowance for temporary difference adjustments) is made because there will be no inconsistency between taxation and accounting as a result of (3).</p>
Optimal payable distribution per unit (distribution with decrease in investment capital under tax law)	<p>In the 29th fiscal period, it is assumed that no optimal payable distribution (distribution with decrease in investment capital under tax law) is made.</p> <p>In the 30th period, in order to reduce the impact on the distributions from (4) decrease in profits by no rent revenue and refund of demolish cost, etc. of existing building and (5) reversal of allowance for temporary difference adjustments due to the redevelopment project of IIF Atsugi Logistics Center III, it is assumed that optimal payable distribution (distribution under tax law with decrease in investment capital) is made based on the temporary excess distribution policy (*) to stabilize the amount of distribution per unit in the event that the amount of distribution per unit is expected to decrease to a certain degree temporarily and it is 471 yen per unit (breakdown: (4) 169 yen and (5) 302 yen).</p> <p>※ The distribution policy is described in “Part 1, Fund Information, Item 1. Status of Fund, 2. Investment Policies, (3) Cash Distribution Policies, (ii) Cash Distributions in Excess of Profits, (a)Policy regarding Temporary Distribution in Excess of Profit” in the most recent securities report (submitted on April 30, 2021).</p>

The summary of three properties acquired (to be acquired) for the 29th fiscal period (August 1, 2021 to January 31, 2022) are as follows.

Name of property acquired (to be acquired)	Location	Type	(Anticipated) acquisition price (million yen)	Appraisal value (million yen)
IIF Shonan Health Innovation Park (40% co-ownership interest)	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa, Japan	Manufacturing, research and development facilities	15,400	18,080
IIF Yokkaichi Logistics Center (Existing Building)	1340-8, Azayamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, Japan and others	Logistics Facilities	3,640	3,957
IIF Atsugi Manufacturing Center (Expansion)	832-1, Aza Momijiyama, Shimofurusawa, Atsugi-shi, Kanagawa, Japan and others	Manufacturing, research and development facilities	300	400
Total			19,340	22,437

(Note) For the details of three properties acquired (to be acquired) for the 29th Fiscal Period (August 1, 2021 to January 31, 2022), please refer to below, respectively.

- IIF Shonan Health Innovation Park (40% co-ownership interest) : “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Shonan Health Innovation Park (40% co-ownership interest)】 ” dated July 28, 2021 and “Notice Concerning Completion of Acquisition of One Property in Japan 【IIF Shonan Health Innovation Park (40% co-ownership interest)】 ” dated August 2, 2021.
- IIF Yokkaichi Logistics Center (Existing Building) : “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right 【IIF Yokkaichi Logistics Center (Existing Building)】 ” dated September 8, 2021.
- IIF Atsugi Manufacturing Center (Expansion) : “Notice Concerning IIF Atsugi Manufacturing Center Expansion Project” dated March 17, 2021.

The summary of a property disposed for the 29th fiscal period (August 1, 2021 to January 31, 2022) is as follows.

Name of property disposed	Location	Type
IIF Shinagawa IT Solution Center	31-18, Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo	Infrastructure facilities

(Note) For the details of property disposed, please refer to “Notice Concerning Disposition of Two Properties in Japan 【IIF Shinagawa IT Solution Center and IIF Zama IT Solution Center】 ”dated April 28, 2021 and “Notice Concerning Completion of Disposition of One Property in Japan 【IIF Shinagawa IT Solution Center】 ” dated August 2, 2021.

(2) Investment risk

There are no significant changes of “Investment risk” from the most recent securities report (submitted on April 30, 2021), and the disclosure of these matters is omitted.

2. Financial information

(1) Balance sheets

	(Thousands of yen)	
	As of	
	January 31, 2021	July 31, 2021
ASSETS		
Current assets:		
Cash and bank deposits	30,246,169	40,148,125
Cash and bank deposits in trust	6,114,450	5,471,254
Rental receivables	463,104	772,520
Prepaid expenses	631,145	838,933
Income taxes receivable	-	88
Consumption taxes refundable	58,202	-
Other	511	8,491
Total current assets	37,513,582	47,239,414
Noncurrent assets:		
Property, plant and equipment:		
Buildings, at cost	34,565,269	34,843,341
Less: Accumulated depreciation	(8,353,882)	(8,770,694)
Buildings, net	26,211,387	26,072,647
Structures, at cost	113,055	116,956
Less: Accumulated depreciation	(43,431)	(47,432)
Structures, net	69,623	69,524
Machinery and equipment, at cost	11,892	11,892
Less: Accumulated depreciation	(11,892)	(11,892)
Machinery and equipment, net	0	0
Tools, furniture and fixtures, at cost	21,025	26,461
Less: Accumulated depreciation	(9,801)	(10,416)
Tools, furniture and fixtures, net	11,223	16,044
Land	20,150,219	19,192,636
Buildings in trust, at cost	99,873,525	97,300,047
Less: Accumulated depreciation	(15,522,714)	(16,211,045)
Buildings in trust, net	84,350,810	81,089,002
Structures in trust, at cost	1,050,936	1,095,354
Less: Accumulated depreciation	(468,410)	(511,403)
Structures in trust, net	582,526	583,951
Machinery and equipment in trust, at cost	133,357	141,149
Less: Accumulated depreciation	(45,796)	(53,103)
Machinery and equipment in trust, net	87,561	88,046
Tools, furniture and fixtures in trust, at cost	55,769	64,728
Less: Accumulated depreciation	(23,842)	(27,723)
Tools, furniture and fixtures in trust, net	31,926	37,004
Land in trust	215,746,473	211,728,812
Construction in progress in trust	4,696	6,577
Total net property, plant and equipment	347,246,448	338,884,246
Intangible assets:		
Leasehold right (Note 1)	19,833,966	19,833,966
Other	7,896	7,098
Total intangible assets	19,841,862	19,841,064
Investments and other assets:		
Investment securities	95,456	89,395
Lease and guarantee deposits	10,200	10,200
Long-term prepaid expenses	1,362,072	1,200,754
Other	3,000	3,000
Total investments and other assets	1,470,728	1,303,349
Total noncurrent assets	368,559,039	360,028,660
Deferred assets:		
Investment unit issuance costs	190,799	136,908
Investment corporation bonds issuance costs	27,555	23,747
Total deferred assets	218,354	160,656
TOTAL ASSETS	406,290,976	407,428,731

The accompanying notes in sections (6), (7), (8) and (9) below are an integral part of these statements.

(Thousands of yen)

	As of	
	January 31, 2021	July 31, 2021
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,122,763	1,640,883
Current portion of long-term loans payable	5,600,000	12,600,000
Accounts payable – other	748,320	740,513
Accrued expenses	134,684	130,484
Income taxes payable	876	942
Consumption taxes payable	-	951,602
Advances received	2,609,537	2,396,073
Other	17,597	65,321
Total current liabilities	10,233,779	18,525,821
Noncurrent liabilities:		
Investment corporation bonds – unsecured	10,000,000	10,000,000
Long-term loans payable	178,783,000	171,783,000
Tenant leasehold and security deposits	2,422,971	2,491,250
Tenant leasehold and security deposits in trust	14,045,677	13,802,324
Asset retirement obligations	637,671	639,055
Derivatives liabilities	114,078	70,955
Other	402	57
Total noncurrent liabilities	206,003,801	198,786,642
TOTAL LIABILITIES	216,237,581	217,312,464
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	183,865,203	183,865,203
Capital deduction:		
Allowance for temporary difference adjustment (Note 2)	(159,098)	(144,795)
Other deduction of unitholders' capital	(293,688)	(293,688)
Total capital deduction	(452,786)	(438,484)
Unitholders' capital, net	183,412,417	183,426,719
Surplus:		
Retained earnings	6,755,057	6,778,336
Total surplus	6,755,057	6,778,336
Total unitholders' equity	190,167,474	190,205,056
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	(114,078)	(88,789)
Total valuation and translation adjustments	(114,078)	(88,789)
TOTAL NET ASSETS (Note 3)	190,053,395	190,116,267
TOTAL LIABILITIES AND NET ASSETS	406,290,976	407,428,731

The accompanying notes in sections (6), (7), (8) and (9) below are an integral part of these statements.

(2) Statements of income and retained earnings

(Thousands of yen)		
	For the six months ended	
	January 31, 2021	July 31, 2021
Operating revenue		
Rent revenue—real estate (Note 4)	13,867,370	14,884,885
Gain on sales of property (Note 5)	23,774	460,987
Dividend income from investments in Tokumei Kumiai	1,362	3,854
Total operating revenue	13,892,507	15,349,727
Operating expenses		
Expenses related to property rental business (Note 4)	4,886,257	6,067,643
Loss on sales of property (Note 6)	-	185,946
Asset management fees	1,202,156	1,211,173
Directors' compensations	7,010	7,440
Asset custody fees	8,758	9,123
Administrative service fees	37,086	38,554
Other	137,143	187,463
Total operating expenses	6,278,411	7,707,345
Operating income	7,614,095	7,642,381
Non-operating income		
Interest income	97	188
Interest on refund	2,237	23
Reversal of distribution payable	318	362
Other	-	0
Total non-operating income	2,653	575
Non-operating expenses		
Interest expenses	658,202	659,670
Interest expenses on investment corporation bonds	50,173	49,626
Amortization of investment corporation bonds issuance costs	3,807	3,807
Borrowing related expenses	209,322	209,714
Amortization of investment unit issuance costs	76,197	53,890
Other	122	874
Total non-operating expenses	997,825	977,584
Ordinary income	6,618,923	6,665,372
Income before income taxes	6,618,923	6,665,372
Income taxes		
Current	1,169	1,670
Total income taxes	1,169	1,670
Net income	6,617,754	6,663,702
Retained earnings brought forward	137,303	114,634
Unappropriated retained earnings	6,755,057	6,778,336

The accompanying notes in sections (6), (7), (8) and (9) below are an integral part of these statements.

(3) Statements of changes in net assets

(Thousands of yen)

	Unitholders' equity							Valuation and translation adjustments			
	Unitholders' capital				Surplus			Deferred gains or (losses) on hedges	Total valuation and translation adjustments	Total net assets	
	Unitholders' capital (Note 3)	Capital deduction		Total capital deduction	Unitholders' capital, net	Retained earnings	Total surplus				Total unitholders' equity
		Allowance for temporary difference adjustment	Other deduction of unitholders' capital								
Balance as of July 31, 2020	150,235,013	(182,141)	(293,688)	(475,830)	149,759,183	5,484,552	5,484,552	155,243,735	(136,661)	(136,661)	155,107,074
Changes during the period											
Issuance of new investment units	33,630,190	-	-	-	33,630,190	-	-	33,630,190	-	-	33,630,190
Dividends from surplus	-	-	-	-	-	(5,316,685)	(5,316,685)	(5,316,685)	-	-	(5,316,685)
Reversal of allowance for temporary difference adjustment	-	30,563	-	30,563	30,563	(30,563)	(30,563)	-	-	-	-
Dividend in excess of profit from allowance for temporary difference adjustment	-	(7,520)	-	(7,520)	(7,520)	-	-	(7,520)	-	-	(7,520)
Net income	-	-	-	-	-	6,617,754	6,617,754	6,617,754	-	-	6,617,754
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	22,582	22,582	22,582
Total changes during the period	33,630,190	23,043	-	23,043	33,653,233	1,270,505	1,270,505	34,923,738	22,582	22,582	34,946,321
Balance as of January 31, 2021	183,865,203	(159,098)	(293,688)	(452,786)	183,412,417	6,755,057	6,755,057	190,167,474	(114,078)	(114,078)	190,053,395
Changes during the period											
Dividends from surplus	-	-	-	-	-	(6,617,841)	(6,617,841)	(6,617,841)	-	-	(6,617,841)
Reversal of allowance for temporary difference adjustment	-	22,582	-	22,582	22,582	(22,582)	(22,582)	-	-	-	-
Dividend in excess of profit from allowance for temporary difference adjustment	-	(8,280)	-	(8,280)	(8,280)	-	-	(8,280)	-	-	(8,280)
Net income	-	-	-	-	-	6,663,702	6,663,702	6,663,702	-	-	6,663,702
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	25,289	25,289	25,289
Total changes during the period	-	14,302	-	14,302	14,302	23,279	23,279	37,581	25,289	25,289	62,871
Balance as of July 31, 2021	183,865,203	(144,795)	(293,688)	(438,484)	183,426,719	6,778,336	6,778,336	190,205,056	(88,789)	(88,789)	190,116,267

The accompanying notes in sections (6), (7), (8) and (9) below are an integral part of these statements.

(4) Statements of cash distributions

	(Yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
I Unappropriated retained earnings	6,755,057,775	6,778,336,923
II Distributions in excess of profit	8,280,064	97,290,752
Allowance for temporary difference adjustment	8,280,064	97,290,752
III Capitalization	22,582,384	25,289,704
Reversal of allowance for temporary difference adjustment	22,582,384	25,289,704
IV Cash distribution declared	6,626,121,216	6,760,672,256
<i>(Cash distribution declared per unit)</i>	<i>(3,201)</i>	<i>(3,266)</i>
Profit distributions	6,617,841,152	6,663,381,504
<i>(Profit distributions per unit)</i>	<i>(3,197)</i>	<i>(3,219)</i>
Allowance for temporary difference adjustment	8,280,064	97,290,752
<i>(Distribution per unit in excess of profit from allowance for temporary difference adjustment)</i>	<i>(4)</i>	<i>(47)</i>
V Retained earnings carried forward	114,634,239	89,665,715

Note:

For the six months ended January 31, 2021:

Cash distributions declared for the six months ended January 31, 2021 were ¥6,626,121,216.

In accordance with the distribution policy in Article 25, Paragraph 1, Item 2 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of profit) declared for the six months ended January 31, 2021 were ¥6,617,841,152 which were 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 (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.

In addition, the Investment Corporation makes distributions in excess of profit considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) in accordance with the policy for the distributions in excess of profit prescribed in the article of incorporation 25, Paragraph 2. Distributions in excess of profit corresponding to differences between net income and taxable income for the six months ended January 31, 2021 were amounting to ¥8,280,064, except for fractional distribution per unit in excess of profit less than one yen. Furthermore, the Investment Corporation makes unitcapital refunds from deduction of unitcapital amounting to ¥ to level cash distributions. As a result, cash distributions declared for the six months ended January 31, 2021 totaled ¥6,626,121,216.

For the six months ended July 31, 2021:

Cash distributions declared for the six months ended July 31, 2021 were ¥6,760,672,256.

In accordance with the distribution policy in Article 25, Paragraph 1, Item 2 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of profit) declared for the six months ended July 31, 2021 were ¥6,663,381,504 which were 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 (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.

In addition, the Investment Corporation makes distributions in excess of profit considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) in accordance with the policy for the distributions in excess of profit prescribed in the article of incorporation 25, Paragraph 2. Distributions in excess of profit corresponding to differences between net income and taxable income for the six months ended July 31, 2021 were amounting to ¥97,290,752, except for fractional distribution per unit in excess of profit less than one yen. As a result, cash distributions declared for the six months ended July 31, 2021 totaled ¥6,760,672,256.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	January 31, 2021	July 31, 2021
Net cash provided by (used in) operating activities:		
Income before income taxes	6,618,923	6,665,372
Depreciation and amortization	1,791,961	1,918,755
Amortization of investment corporation bonds issuance costs	3,807	3,807
Amortization of investment unit issuance costs	76,197	53,890
Interest income	(97)	(188)
Interest expenses	708,375	709,297
Changes in assets and liabilities:		
Decrease (increase) in operating accounts receivable	233,922	(309,416)
Decrease (increase) in consumption taxes refundable	808,978	58,202
Decrease (increase) in prepaid expenses	67,377	(207,788)
Decrease (increase) in long-term prepaid expenses	(87,711)	161,317
Increase (decrease) in operating accounts payable	37,991	458,127
Increase (decrease) in accounts payable - other	55,531	10,080
Increase (decrease) in accrued expenses	141	(141)
Increase (decrease) in consumption taxes payable	-	951,602
Increase (decrease) in advances received	820,114	(213,463)
Increase (decrease) in other noncurrent liabilities	(251)	(345)
Decrease from sales of property and equipment	1,193,195	957,582
Decrease from sales of property and equipment in trust	-	6,645,885
Other, net	(31,468)	36,817
Subtotal	12,296,990	17,899,395
Interest income received	97	188
Interest expenses paid	(701,115)	(713,355)
Income taxes paid	(924)	(1,692)
Net cash provided by operating activities	11,595,047	17,184,537
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(125,848)	(386,275)
Purchases of property, plant and equipment in trust	(48,428,979)	(730,053)
Proceeds from tenant leasehold and security deposits	9,523	99,271
Payments of tenant leasehold and security deposits	(30,000)	(39,075)
Proceeds from tenant leasehold and security deposits in trust	4,235,184	6,978
Payments of tenant leasehold and security deposits in trust	(56,074)	(253,589)
Proceeds from investment securities	-	6,060
Other	-	(550)
Net cash used in investing activities	(44,396,195)	(1,297,233)
Net cash provided by (used in) financing activities:		
Proceeds from long-term loans payable	23,800,000	-
Proceeds from issuance of investment units	33,630,190	-
Payments of investment unit issuance costs	(79,802)	(3,523)
Dividends paid	(5,324,194)	(6,625,019)
Net cash provided by (used in) financing activities	52,026,192	(6,628,543)
Net change in cash and cash equivalents	19,225,045	9,258,760
Cash and cash equivalents at beginning of period	17,135,574	36,360,619
Cash and cash equivalents at end of period (Note 7)	36,360,619	45,619,379

The accompanying notes in sections (6), (7), (8) and (9) below are an integral part of these statements.

(6) Note relating to going concern assumption

Nothing to be noted.

(7) Summary of significant accounting policies

(a) Securities

Non-marketable securities held as available-for-sale are stated at cost determined by the moving average method. Investments in Tokumei Kumiai (silent partnership) agreements are accounted for by using the equity method of accounting.

(b) Property and equipment

Property, plant and equipment is recorded at cost. Depreciation of property, plant and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

Buildings	13 - 70 years
Structures	2 - 45 years
Machinery and equipment	3 - 10 years
Tools, furniture and fixtures	6 - 15 years

(c) Other intangible assets

Other intangible assets are amortized on a straight-line basis.

(d) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(e) Investment unit issuance costs

Investment unit issuance costs are capitalized and amortized on a straight-line basis over three years.

(f) Investment corporation bonds issuance costs

Investment corporation bonds issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the investment corporation bonds.

(g) Taxes on property, plant and equipment

Property, plant and equipment are annually subject to various taxes, such as property taxes and urban planning taxes. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1 of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with accounting principles and practices generally accepted in Japan ("Japanese GAAP"). In subsequent calendar years, half of such taxes on property, plant and equipment for each calendar year are charged as operating expenses in each fiscal period.

Taxes on property and equipment capitalized amounted to ¥162,826 thousand for the six months ended January 31, 2021. No taxes on property and equipment were capitalized for the six months ended July 31, 2021.

(h) Hedge accounting

In accordance with the Investment Corporation's risk management policy and its internal rules, the Investment Corporation uses derivative instruments for the purpose of hedging risks that are prescribed in the Investment Corporation's articles of incorporation. The Investment Corporation hedges fluctuations in interest rates of loans payable through the use of interest rate swaps as hedging instruments and deferred hedge accounting is generally applied. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments with those of the hedged items. The Investment Corporation applies, however, the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under such swap contracts can be recognized and added to or reduced from any interest earned or incurred on the hedged asset or liability, as appropriate, and the fair value of the interest rate swap is not required to be evaluated separately. An assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible to cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(j) Accounting treatment of trust beneficiary interests in real estate trusts

For the trust beneficiary interests in real estate trusts, which are commonly utilized to obtain ownership in investment properties in Japan and through which the Investment Corporation holds all of its real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant balance sheet and income statement accounts of the Investment Corporation in proportion to the percentage interest that such trust beneficiary interest represents. Certain material accounts with respect to assets and liabilities in trust are presented separately from other accounts in the balance sheet of the Investment Corporation.

(k) Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statement of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

(New accounting standards not yet applied)

- "Accounting Standard for Revenue Recognition"
(Accounting Standards Board of Japan (ASBJ) Statement No. 29 revised on March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition"
(ASBJ Guidance No. 30 revised on March 26, 2021)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments"
(ASBJ Guidance No. 19 revised on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and issued "Revenue from Contracts with Customers" (IFRS 15 in IASB and Topic 606 in FASB) in May 2014. Given the situation where IFRS 15 will be applied from fiscal years beginning on or after January 1, 2018 and that Topic 606 will be applied from fiscal years beginning after December 15, 2017, the ASBJ has developed comprehensive accounting standards for revenue recognition and issued them together with the implementation guidance. The basic policy of the ASBJ when it developed the accounting standards for revenue recognition was to specify the accounting standards, incorporating the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which consideration should be given, such as practices that have been conducted thus far in Japan, alternative treatments will be added to the extent to which comparability is not impaired.

(2) Scheduled date of application

The Investment Corporation will adopt the accounting standards from the beginning of the six months ending January 31, 2022.

(3) Impact of applying the accounting standards

The Investment Corporation is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Revenue Recognition", etc.

- "Accounting Standard for Fair Value Measurement"
(ASBJ Statement No. 30 issued on July 4, 2019)
- "Accounting Standard for Financial Instruments"
(ASBJ Statement No. 10 revised on July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement"
(ASBJ Guidance No. 31 issued on June 17, 2021)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments"
(ASBJ Guidance No. 19 revised on March 31, 2020)

(1) Overview

The IASB and FASB have established similar detailed guidance regarding fair value measurement (IFRS 13 "Fair Value Measurement" in IFRS and Accounting Standards Codification Topic 820 "Fair Value Measurement" in FASB).

The ASBJ repeatedly considered the guidance regarding fair value of financial instruments and disclosure in order to ensure the consistency of Japanese GAAP with such international accounting standards, and issued the Accounting Standard for Fair Value Measurement, etc.

As the basic policy of the ASBJ for the development of accounting standard for fair value measurement, the ASBJ basically adopted all provisions of IFRS 13 by using the unified measurement method, from the point of view of improving the comparability of financial statements among domestic and foreign companies.

In addition, considering the actual practices that have been executed in Japan, other treatments for individual items are established within the scope not to impair comparability between the financial statements.

(2) Scheduled date of application

The Investment Corporation will adopt the accounting standards from the beginning of the six months ending January 31, 2022.

(3) Impact of applying the accounting standards

The Investment Corporation is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Fair Value Measurement", etc.

(8) Change in accounting estimates

Change in estimated useful life of property

Since a redevelopment project for IIF Atsugi Logistics Center III (held in trust beneficial interest) has been decided, the useful life of the property scheduled to be dismantled has been shortened so that the depreciation will be completed by the time the tenants moves out.

As a result of this change, operating income, ordinary income and income before income taxes for the six months ended July 31, 2021 decreased ¥89,473 thousand, respectively.

(9) Notes to financial information

Note 1 — Leasehold right

Leasehold right is right to use nationally-owned land on which IIF Haneda Airport Maintenance Center is located with approval of the authorities under Article 18-6 and 19 of the National Property Act of Japan.

Note 2 — Allowance for temporary difference adjustment

Movements of allowance for temporary difference adjustment for the six months ended January 31, 2021 and July 31, 2021 are as follows:

For the six months ended January 31, 2021:

(Thousands of yen)

Content of temporary difference			Allowance for temporary difference adjustment				
Item	Reason for the difference	Initial amount	Balance at beginning of the period	Allowance	Reversal	Balance at end of the period	Note
Buildings in trust	Excess of depreciation allowance	22,692	15,172	7,520	-	22,692	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	166,969	-	(30,563)	136,405	(ii)
Total		428,141	182,141	7,520	(30,563)	159,098	

For the six months ended July 31, 2021:

(Thousands of yen)

Content of temporary difference			Allowance for temporary difference adjustment				
Item	Reason for the difference	Initial amount	Balance at beginning of the period	Allowance	Reversal	Balance at end of the period	Note
Buildings in trust	Excess of depreciation allowance	30,972	22,692	8,280	-	30,972	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	136,405	-	(22,582)	113,823	(ii)
Total		436,421	159,098	8,280	(22,582)	144,795	

Note (i): The allowance will be reversed corresponding to disposal of the buildings in the future.

Note (ii): The allowance will be reversed corresponding to future change in values of the hedging derivatives.

Note 3 — Unitholders' equity

(1) Number of units

	As of	
	January 31, 2021	July 31, 2021
Authorized	32,000,000 units	32,000,000 units
Issued and outstanding	2,070,016 units	2,070,016 units

(2) The Investment Corporation is required to maintain net assets of at least ¥ 50,000 thousand as required by Article 67-4 of the Act on Investment Trusts and Investment Corporations of Japan.

Note 4 — Rent revenue— real estate and expenses related to property rental business

Rent revenue— real estate and expenses related to property rental business for the six months ended January 31, 2021 and July 31, 2021 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Rent revenue— real estate:		
Rental and parking revenue	13,506,063	14,344,622
Common area charges	254,887	260,279
Other	106,419	279,984
Total rent revenue-real estate	13,867,370	14,884,885
Expenses related to property rental business:		
Property management fees	89,898	87,626
Facility management fees	651,656	1,032,091
Utilities	540,119	747,512
Property-related taxes	942,466	1,103,680
Insurance	36,541	41,146
Repair and maintenance	375,443	684,233
Depreciation	1,791,961	1,918,755
Trust fees	20,178	18,242
Leasehold rents	425,005	428,587
Other	12,986	5,767
Total expenses related to property rental business	4,886,257	6,067,643
Operating income from property leasing activities	8,981,113	8,817,241

Note 5 — Analysis of gain on sales of property

Analysis of gain on sales of property is as follows:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Sale of property	1,230,000	3,230,000
Cost of property	1,193,195	2,650,607
Other sales expenses	13,030	118,405
Gain on sales of property, net	23,774	460,987

Note 6 — Analysis of loss on sales of property

Analysis of gain on sales of property is as follows:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Sale of property	-	4,800,000
Cost of property	-	4,952,861
Other sales expenses	-	33,084
Loss on sales of property, net	-	(185,946)

Note 7 — Cash and cash equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following balance sheet items:

(Thousands of yen)

	As of	
	January 31, 2021	July 31, 2021
Cash and bank deposits	30,246,169	40,148,125
Cash and bank deposits in trust	6,114,450	5,471,254
Cash and cash equivalents	36,360,619	45,619,379

Note 8 — Lease rental revenues

The Investment Corporation leases its properties mainly to corporate tenants. Future minimum rental revenues pursuant to existing rental contracts as of January 31, 2021 and July 31, 2021 scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	January 31, 2021	July 31, 2021
Due within one year	26,613,448	25,509,717
Due after one year	121,090,010	109,927,566
Total	147,703,458	135,437,284

Note 9 — Financial instruments**(a) Qualitative information for financial instruments***(i) Policy for financial instrument transactions*

The Investment Corporation raises funds through loans payable, the issuance of investment corporation bonds or investment units for the acquisition of real estate properties, expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully through investment in financial instruments taking into account liquidity and safety in light of the current financial market condition. Derivative instruments are used only for hedging purposes and not for speculation.

(ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through loans payable or issuance of investment corporation bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing loans payable or investment corporation bonds. Tenant leasehold and security deposits are deposits from tenants. Although loans payable with floating interest rates are subject to fluctuations in market interest rates, the asset manager manages interest fluctuation risk by monitoring market interest rates and measuring the effect on the results of operation of the Investment Corporation. In addition, a certain portion of loans payable with floating interest rates is hedged by derivative instruments (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. The Investment Corporation uses derivative instruments in accordance with its risk management policy and internal rules.

Liquidity risks relating to loans payable, investment corporation bonds or tenant leasehold and security deposits are managed by preparing monthly plans for funds, maintaining high liquidity and entering into commitment line agreements with banks.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices, if available. When quoted market prices are not available, fair value is estimated by using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated fair value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and valuation differences of financial instruments for which fair value is available as of January 31, 2021 and July 31, 2021.

(Thousands of yen)

	As of January 31, 2021			As of July 31, 2021		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	30,246,169	30,246,169	-	40,148,125	40,148,125	-
(2) Cash and bank deposits in trust	6,114,450	6,114,450	-	5,471,254	5,471,254	-
Total assets	36,360,619	36,360,619	-	45,619,379	45,619,379	-
(1) Current portion of long-term loans payable	5,600,000	5,606,857	6,857	12,600,000	12,641,416	41,416
(2) Investment corporation bonds—unsecured	10,000,000	10,076,510	76,510	10,000,000	10,053,490	53,490
(3) Long-term loans payable	178,783,000	182,587,231	3,804,231	171,783,000	175,242,718	3,459,718
(4) Tenant leasehold and security deposits in trust	485,480	483,136	(2,343)	401,000	398,912	(2,087)
Total liabilities	194,868,480	198,753,735	3,885,255	194,784,000	198,336,537	3,552,537
Derivatives (derivatives liabilities), net	(114,078)	(114,078)	-	(88,789)	(88,789)	-

Note (i): The methods and assumption used to estimate fair value are as follows:

Assets

(1) Cash and bank deposits and (2) Cash and bank deposits in trust

Because of their short maturities, the carrying amounts approximate their fair value.

Liabilities

(1) Current portion of long-term loans payable and (3) Long-term loans payable

Long-term loans payable with floating interest rates reflecting changes in market rates within a short term period are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term loans payable with floating interest rates are hedged by interest rate swaps which qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term loans payable is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms. The fair value of long-term loans payable with fixed interest rates is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms.

(2) Investment corporation bonds—unsecured

The fair value is the quoted price provided by financial market information provider.

(4) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivatives

Please refer to “Note 10 - Derivative instruments.”

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

(Thousands of yen)

	As of	
	January 31, 2021	July 31, 2021
Investment securities	95,456	89,395
Total assets	95,456	89,395
Tenant leasehold and security deposits	2,422,971	2,491,250
Tenant leasehold and security deposits in trust	13,560,197	13,401,324
Total liabilities	15,983,169	15,892,574

The investment securities (equity interests in silent partnership) are not traded in markets, and it is too difficult to estimate reasonable fair value. Also, tenant leasehold and security deposits are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment dates of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

(Thousands of yen)

As of January 31, 2021	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	30,246,169	-	-	-	-	-
Cash and bank deposits in trust	6,114,450	-	-	-	-	-
Total	36,360,619	-	-	-	-	-
As of July 31, 2021	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	40,148,125	-	-	-	-	-
Cash and bank deposits in trust	5,471,254	-	-	-	-	-
Total	45,619,379	-	-	-	-	-

Note (iv): Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

(Thousands of yen)

As of January 31, 2021	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Investment corporation bonds—unsecured	-	5,000,000	-	2,000,000	-	3,000,000
Long-term loans payable	5,600,000	12,000,000	20,300,000	18,500,000	20,250,000	107,733,000
Total	5,600,000	17,000,000	20,300,000	20,500,000	20,250,000	110,733,000
As of July 31, 2021	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Investment corporation bonds—unsecured	-	5,000,000	2,000,000	-	-	3,000,000
Long-term loans payable	12,600,000	14,300,000	19,000,000	20,650,000	20,050,000	97,783,000
Total	12,600,000	19,300,000	21,000,000	20,650,000	20,050,000	100,783,000

Note 10 — Derivative instruments

Derivative instruments are used only for hedging purpose and are subject to hedge accounting as following tables show.

As of January 31, 2021

(Thousands of yen)

Method of hedge accounting	Derivative instruments	Hedged item	Notional contract amount of derivative instruments		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	4,800,000	4,800,000	(114,078)	Note (ii)
Special treatment for hedge accounting of interest rate swaps (Note (i))	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	28,800,000	28,800,000	Note (i)	-

As of July 31, 2021

(Thousands of yen)

Method of hedge accounting	Derivative instruments	Hedged item	Notional contract amount of derivative instruments		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	4,800,000	3,300,000	(88,789)	Note (ii)
Special treatment for hedge accounting of interest rate swaps (Note (i))	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	28,800,000	26,100,000	Note (i)	-

Note:

- (i) As disclosed in “(7) Summary of significant accounting policies (h) Hedge accounting”, the Investment Corporation applies the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under swap contracts, and not the fair value of the derivative, can be determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instruments and the long-term loans payable as the hedged items is calculated together as one and disclosed as such under Note (i) in “Note 9 - Financial instruments (b) Quantitative information for financial instruments”.
- (ii) The fair value is estimated by the counterparty to the interest rate swaps contracts using market interest rates and other assumptions.

Note 11 — Income taxes

Deferred tax assets consist of the following:

(Thousands of yen)

	As of	
	January 31, 2021	July 31, 2021
Deferred tax assets:		
Enterprise tax payable	27	58
Asset retirement obligations	200,611	201,046
Depreciation	-	28,148
Deferred losses on hedges	35,889	27,933
Subtotal	236,527	257,187
Valuation allowance	(236,527)	(257,187)
Total	-	-
Net deferred tax assets	-	-

A reconciliation of the Investment Corporation's effective tax rates and statutory tax rates is as follows:

	For the six months ended	
	January 31, 2021	July 31, 2021
Statutory tax rates	31.46%	31.46%
Deductible cash distributions	(31.49)	(31.91)
Other	0.05	0.47
Effective tax rates	0.02%	0.03%

Note 12 — Related-party transactions

There were no related-party transactions to be disclosed for the fiscal period ended January 31, 2021 and July 31, 2021.

Note 13 — Asset retirement obligations***(a) Asset retirement obligations recognized as liabilities in the balance sheets***

The Investment Corporation has obligations to remove asbestos contained in the buildings of IIF Kazo Logistics Center (acquired on September 1, 2016), IIF Hamura Logistics Center (acquired on December 22, 2016), IIF Ichikawa Food Processing Center (acquired on June 3, 2019) and IIF Yokohama Tsuzuki R&D Center (acquired on March 2, 2020). The estimated periods of use of the properties are estimated at 53 years, 33 years, 50 years and 41 years, respectively, based on the useful life of each building containing asbestos. The asset retirement obligations for the removal of asbestos are recognized as a liability using discount rates at 0.500%, 0.689%, 0.550% and 0.312%, respectively.

Movements of asset retirement obligations are as follows:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Balance at the beginning of the period	636,267	637,671
Adjustment for passage of time	1,403	1,384
Balance at the end of the period	637,671	639,055

(b) Asset retirement obligations not recognized as a liability in the balance sheets

As the Investment Corporation owns IIF Haneda Airport Maintenance Center with the permission for use of the underlying land granted by the Secretary of Tokyo Regional Civil Aviation Bureau under the National Property Act of Japan, the Investment Corporation is obliged to demolish the building and restore the land if the permission is not extended or is revoked. The Investment Corporation, however, expects that, unless exceptional circumstances arise, the permission will continue to be granted until the Investment Corporation voluntarily demolishes the property in light of the past practice relating to the extension and revocation of permission under the National Property Act and the importance of the property as public infrastructure. As the Investment Corporation intends to keep the property for the foreseeable future, it is difficult to determine when the asset retirement obligation may need to be performed, and as such it is impossible to reasonably foresee the amount of the asset retirement obligation. Therefore, the Investment Corporation does not recognize such obligation as a liability.

Note 14 — Fair value of investment and rental property

The Investment Corporation has mainly industrial and infrastructure facilities as investment and rental properties which are located mainly in three major metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in aggregate for the fiscal period ended January 31, 2021 and July 31, 2021.

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	321,217,151	367,081,014
Net increase (decrease) during the period ⁽ⁱⁱ⁾	45,863,863	(8,362,240)
Balance at the end of the period	367,081,014	358,718,774
Fair value⁽ⁱⁱⁱ⁾	439,309,000	433,531,000

Note:

(i) The net book value includes leasehold right.

(ii) Changes in the net book value are mainly due to the following transactions (except for depreciation):

	Increase (decrease) in net book value (Thousands of yen)
For the six months ended January 31, 2021:	
Acquisition:	
IIF Shonan Health Innovation Park.....	23,553,461
IIF Ichihara Manufacturing Center (Land with leasehold interest).....	16,605,864
IIF Shonan Logistics Center.....	7,682,976
Disposition:	
IIF Hitachinaka Port Logistics Center (Land with leasehold interest).....	(1,193,195)
For the six months ended July 31, 2021:	
Disposition:	
IIF Zama IT Solution Center.....	(4,952,861)
IIF Hiroshima Manufacturing Center (Land with leasehold interest).....	(1,693,024)
IIF Tsukuba Manufacturing Center (Land with leasehold interest).....	(957,582)

(iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers. For IIF Shinagawa IT Solution Center signed disposition contract on April 30, 2021, the selling price is used for the six months ended July 31, 2021.

For rent revenues and expenses for the six months ended January 31, 2021 and July 31, 2021, please refer to "Note 4 — Rent revenue — real estate and expenses related to property rental business".

Note 15 — Segment information

Segment information for the fiscal period ended January 31, 2021 and July 31, 2021 is as follows:

(a) Asset retirement obligations recognized as liabilities in the balance sheets

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide disclosures**(i) Information about products and services**

Disclosure is not required as revenues from external customers for the single segment are in excess of 90% of total revenues.

(ii) Information about geographic areas**Revenues from overseas customers:**

Disclosure is not required as revenues from external customers attributable to Japan are in excess of 90% of total revenues.

Tangible fixed assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about major customers

Name of customer	Revenues for the six months ended		Relating segment
	January 31, 2021	July 31, 2021	
Japan Airlines Co., Ltd.	1,467,096	1,491,520	Property rental business

Note: The revenues from Takeda Pharmaceutical Company Limited, which are more than 10% of total operating revenues for the six months ended January 31, 2021 and July 31, 2021, are not disclosed because the consent from the customer has not been obtained. Relating segment is property rental business.

Note 16 — Per unit information

Following table shows the net asset value per unit per unit as of January 31, 2021 and July 31, 2021 and net income per unit for the six months then ended.

	(Yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Net asset value per unit	91,812	91,842
Net income per unit	3,215	3,219

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding during the fiscal period. The Investment Corporation has no potentially dilutive units.

A basis of calculation of net income per unit is as follows:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2021	July 31, 2021
Net income	6,617,754	6,663,702
Effect of dilutive unit	-	-
Net income available to common unitholders	6,617,754	6,663,702
Adjusted weighted-average number of units outstanding for the period	2,058,320 units	2,070,016 units

Note 17 — Subsequent events

Nothing to be noted.

Note 18 — Allowance for temporary difference adjustment

Changes of temporary difference subject to allowance for temporary difference adjustment for the six months ended January 31, 2021 and July 31, 2021 are as follows:

(Thousands of yen)				
For the six months ended	Item	Reason for changes of temporary difference	Amount for allowance (or reversal)	Note
January 31, 2021	Buildings in trust	Excess of depreciation allowance	8,280	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(22,582)	(ii)
July 31, 2021	Buildings in trust, etc.	Excess of depreciation allowance	97,290	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(25,289)	(ii)

Note (i) : The allowance will be reversed corresponding to disposal of the buildings in the future.

Note (ii): The allowance will be reversed corresponding to future change in values of the hedging derivatives.

[Omission of disclosure]

Notes relating to investment securities and retirement benefits are omitted as immaterial.

(10) Changes in unit issued and outstanding

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

Date	Capital transaction	Number of units issued and outstanding		Unitholders' capital (Millions of yen) (Note 1)		Note
		Increase	Balance	Increase	Balance	
February 14, 2017	Public offering	43,538	396,102	21,308	112,131	Note 2
March 3, 2017	Allocation of investment units to a third party	1,062	397,164	519	112,651	Note 3
February 1, 2018	Unit Split	1,191,492	1,588,656	-	112,651	Note 4
March 7, 2018	Public offering	109,275	1,697,931	12,623	125,274	Note 5
April 4, 2018	Allocation of investment units to a third party	885	1,698,816	102	125,376	Note 6
May 29, 2019	Public offering	90,700	1,789,516	10,973	136,349	Note 7
June 25, 2019	Allocation of investment units to a third party	4,500	1,794,016	544	136,894	Note 8
October 15, 2019	Distributions in excess of profit (unitcapital refunds)	-	1,794,016	(69)	136,824	Note 9
December 18, 2019	Public offering	83,900	1,877,916	13,014	149,839	Note 10
January 15, 2020	Allocation of investment units to a third party	2,100	1,880,016	325	150,165	Note 11
April 17, 2020	Distributions in excess of profit (unitcapital refunds)	-	1,880,016	(223)	149,941	Note 12
August 11, 2020	Public offering	181,000	2,061,016	32,037	181,978	Note 13
September 8, 2020	Allocation of investment units to a third party	9,000	2,070,016	1,593	183,571	Note 14

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 ¥506,025 per unit (subscription price of ¥489,417 per unit) through a public offering.

Note 3 New investment units were issued at a price of ¥489,417 per unit through the allocation of investment units to a third-party.

Note 4 The Investment Corporation implemented a split of its investment units on a four-for-one basis with January 31, 2018 as the record date for the unit split.

Note 5 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 6 New investment units were issued at a price of ¥115,517 per unit through the allocation of investment units to a third-party.

Note 7 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 8 New investment units were issued at a price of ¥120,986 per unit through the allocation of investment units to a third-party.

Note 9 The Board of Directors of the Investment Corporation, at its meeting held on September 11, 2019, resolved to make distribution in excess of profit (unitcapital refund from deduction of unitcapital under tax rule) amounting to ¥39 per unit for the six months ended July 31, 2019. The payment of distribution in excess of profit was commenced on October 15, 2019.

Note 10 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 11 New investment units were issued at a price of ¥155,123 per unit through the allocation of investment units to a third-party.

Note 12 The Board of Directors of the Investment Corporation, at its meeting held on March 18, 2020, resolved to make distribution in excess of profit (unitcapital refund from deduction of unitcapital under tax rule) amounting to ¥119 per unit for the six months ended January 31, 2020. The payment of distribution in excess of profit was commenced on April 17, 2020.

Note 13 New investment units were issued at a price of ¥182,845 per unit (subscription price of ¥177,001 per unit) through a public offering.

Note 14 New investment units were issued at a price of ¥177,001 per unit through the allocation of investment units to a third-party.

3. Additional information

(1) Composition of assets

Classification of assets	Asset category	Location category (Note 1)	Region	As of January 31, 2021		As of July 31, 2021	
				Total of net book value (Millions of yen)	Composition ratio (%) (Note 2)	Total of net book value (Millions of yen)	Composition ratio (%) (Note 2)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,878	3.2	12,815	3.1
			Osaka and Nagoya metropolitan areas	4,842	1.2	4,861	1.2
			Other area	2,879	0.7	1,917	0.5
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	43,678	10.7	43,592	10.7
			Osaka and Nagoya metropolitan areas	1,998	0.5	1,998	0.5
			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	172,627	42.5	172,437	42.3
			Osaka and Nagoya metropolitan areas	52,798	13.0	52,686	12.9
			Other area	32,590	8.0	32,507	8.0
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	7,605	1.9	5,883	1.5
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,861	3.2	7,846	1.9
			Osaka and Nagoya metropolitan areas	22,319	5.5	22,172	5.5
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Sub-total				367,081	90.4	358,718	88.1
Investments in Tokumei Kumiai agreement (Note 3)				95	0.0	89	0.0
Bank deposits and other assets				39,114	9.6	48,620	11.9
Total assets				406,290	100.0	407,428	100.0
Total liabilities				216,237	53.2	217,312	53.3
Total net assets				190,053	46.8	190,116	46.7

Note 1 "Location category" is classified as below.

Location category	Description
Urban and suburban properties	Properties located in Japan's three major urban areas(i), cities designated by government ordinance, or similar areas
Industrial-area properties	Generally, properties located in industrial zones(ii) that generate more than ¥1 billion 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) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of July 31, 2021 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio of rent revenue to total rent revenues (%) (Note 3)	Major use
IIF Haneda Airport Maintenance Center	37,445	81,995.81	81,995.81	100.0	10.0	Infrastructure facility
IIF Shonan Health Innovation Park (Note 4)	23,625	76,962.05	76,962.05	100.0	Note 7	Manufacturing and R&D facility, etc.
IIF Ichihara Manufacturing Center (Land with leasehold interest)	16,605	637,802.64	637,802.64	100.0	Note 7	Manufacturing and R&D facility, etc.
IIF Kobe District Heating and Cooling Center	15,544	11,476.05	11,476.05	100.0	2.2	Infrastructure facility
IIF Shinonome Logistics Center (Note 5)	12,943	27,493.29	27,493.29	100.0	2.7	Logistics facility
IIF Osaka Suminoe Logistics Center I	11,965	52,201.30	52,201.30	100.0	Note 7	Logistics facility
IIF Atsugi Manufacturing Center (Note 6)	11,911	95,816.91	95,816.91	100.0	Note 7	Manufacturing and R&D facility, etc.
IIF Fukuoka Hakozaki Logistics Center II	10,122	51,530.51	51,530.51	100.0	Note 7	Logistics facility
IIF Mitaka Card Center	9,409	21,615.01	21,615.01	100.0	2.5	Manufacturing and R&D facility, etc.
IIF Osaka Konohana Logistics Center	8,579	46,262.20	46,262.20	100.0	Note 7	Logistics facility
Total	158,153	1,103,155.77	1,103,155.77	100.0	48.6	

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 60% of the trust beneficial interest in the property. The leasable area and leased area of the property show 60% of the total leasable area or leased area as the share of quasi-co-ownership and are calculated by rounding to the nearest second decimal place.

Note 5 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 and are calculated by rounding to the nearest second decimal place.

Note 6 As the Investment Corporation invests in IIF Atsugi Manufacturing Center both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building in form of the trust beneficial interests separately, "Leasable area" of the property shows total of the leasable area of the leased land (64,327.54m²) and that of the building on the leased land (31,489.37m²).

Note 7 "Ratio of rental revenue to total rental revenues" of the properties are not disclosed because the consent from the tenants has not been obtained.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of July 31, 2021 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (m ²) (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	17,808	12,943
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	9,130	5,174
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	7,720	5,132
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	3,180	1,697
IIF Nishinomiya Logistics Center	2, Nishinomiya 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,010	1,955
IIF Narashino Logistics Center (Land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	3,180	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	6,560	4,694
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,050	3,123
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,615.82	3,470	2,278
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,420	1,390
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,500	1,181
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	3,280	2,285
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	4,950	2,132
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	39,567.74	7,650	5,193
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,495.06	3,370	2,465
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	3,000	1,811
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	5,710	3,366
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,270	2,977
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kuranoue-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	2,030	1,466
IIF Inzai Logistics Center	6-1, Matsuzakidai 2-chome, Inzai-shi, Chiba	Trust beneficial interest	5,490.00	1,460	1,007
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,280	551
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	4,610	3,239
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	8-1, Nagisa-cho, Izumiotsu-shi, Osaka	Trust beneficial interest	48,932.00	4,370	4,178
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-ita, Izumisano-shi, Osaka	Real property	13,947.83	1,060	959
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	7,650	5,572
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	1,030	914
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,140	1,898
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	9,730	8,579
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	2,830	2,570

Name of property	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Fair value at end of period (Millions of yen) (Note 3)	Net book value (Millions of yen)
IIF Hamura Logistics Center	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	3,892.66	928	929
IIF Fukuoka Hakozaki Logistics Center I	14-31, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	24,967.58	5,370	5,193
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,530.51	11,400	10,122
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	2,080	1,721
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,770	1,552
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,190	1,003
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	15,000	11,965
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	2,880	2,547
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,460	1,394
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,710	2,489
IIF Koriyama Logistics Center	213, Aza Mukaihara, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,280	2,470
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	2,340	2,047
IIF Hyogo Tatsuno Logistics Center	300-2, Tai-san, Nagao, Issaicho, Tatsuno-shi, Hyogo, etc.	Trust beneficial interest	25,186.78	4,440	4,103
IIF Akishima Logistics Center	3928-4, Kohake, Haijimacho, Akishima-shi, Tokyo	Trust beneficial interest	31,071.21	8,530	8,489
IIF Gifu Kakamigahara Logistics Center	2-8, Aza Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Trust beneficial interest	16,708.51	3,030	2,439
IIF Hiroshima Seifushinto Logistics Center	3-1, Tomominami 2-chome, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	28,988.91	6,730	6,440
IIF Shonan Logistics Center	9-2, Ichinomiya 7-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	23,728.15	8,380	7,627
IIF Totsuka Technology Center (Land with leasehold interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	5,370	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,330	1,257
IIF Mitaka Card Center	5-14, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	10,100	9,409
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,380	7,493
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	3,000	1,920
IIF Sagami-hara R&D Center	1-35, Minamihashimoto 3-chome, Chuoku, Sagami-hara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,560	3,424
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,210	3,777
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	30, Tanyo, Kakegawa-shi, Shizuoka	Trust beneficial interest	66,171.92	1,770	1,572
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	195, Tekkadori 3-chome, Urayasu-shi, Chiba	Real property	7,925.94	1,660	1,345
IIF Yokosuka Technology Center	1-15, Shinmei-cho, Yokosuka-shi, Kanagawa	Trust beneficial interest	13,779.77	4,510	4,341
IIF Shonan Technology Center	1-1, Ichinomiya 6-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	7,244.71	1,380	1,320
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	2,600	2,413

Name of property	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Fair value at end of period (Millions of yen) (Note 3)	Net book value (Millions of yen)
IIF Atsugi Manufacturing Center (Note 6)	832-1, Aza Momijiyama, Shimofurusawa, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	95,816.91	16,100	11,911
IIF Shin-Kawasaki R&D Center	1-2, Shinogura, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	11,865.54	8,720	6,477
IIF Ichikawa Food Processing Center	1-1-2, Higashihamma 1-chome, Ichikawa-shi, Chiba, etc.	Trust beneficial interest	27,424.22	6,460	6,371
IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	3, Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Real property	12,551.51	261	255
IIF Yokohama Tsuzuki R&D Center	9-2, Ushikubo 3-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	18,132.42	6,340	6,427
IIF Okazaki Manufacturing Center (Land with leasehold interest)	34-6, Aza Okasaku, Makihiro-cho, Okazaki-shi, Aichi, etc.	Trust beneficial interest	42,049.87	4,290	4,104
IIF Shonan Health Innovation Park (Note 7)	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa	Trust beneficial interest	76,962.05	27,120	23,625
IIF Ichihara Manufacturing Center (Land with leasehold interest)	1-1, Yawatakaigandori, Ichihara-shi, Chiba, etc.	Trust beneficial interest	637,802.64	18,490	16,605
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuoh-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	14,600	15,544
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ohta-ku, Tokyo	Real property	81,995.81	41,400	37,445
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	7,010	5,418
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,280	5,462
IIF Osaka Nanko IT Solution Center	1-23, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	18,429.14	2,420	1,165
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 (Note 8)	31-18, Nishi-Gotanda 4-chome, Shinagawa-ku, Tokyo	Trust beneficial interest	7,057.06	6,920	7,846
IIF Higashimatsuyama Gas Tank Maintenance Center (Land with leasehold interest)	75-1, Shingo, Higashimatsuyama-shi, Saitama	Real property	12,880.38	764	729
Total			2,389,009.46	432,251	358,718

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.

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 and rounded to the nearest second decimal place.

Note 5 As the Investment Corporation invests in IIF Narashino Logistics Center II both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building with leasehold interest of the property in form of the trust beneficial interests separately, "Leasable area" of the property shows total of the leasable area of the leased land (58,070.00m²) and that of the building on the leased land (25,835.16m²).

Note 6 As the Investment Corporation invests in IIF Atsugi Manufacturing Center both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building in form of the trust beneficial interests separately, "Leasable area" of the property shows total of the leasable area of the leased land (64,327.54m²) and that of the building on the leased land (31,489.37m²).

Note 7 The leasable area of IIF Shonan Health Innovation Park (60% of quasi-co-ownership) is calculated multiplying the total leasable area by the share of quasi-co-ownership and rounded to the nearest second decimal place.

Note 8 The property was sold on August 2, 2021.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of July 31, 2021 were as follows:

Name of property	For the six months ended January 31, 2021					For the six months ended July 31, 2021				
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 3)	Composition ratio of NOI (%) (Note 2)	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 3)	Composition ratio of NOI (%) (Note 2)
IIF Shinonome Logistics Center	1	100.0	400	365	3.4	1	100.0	400	364	3.4
IIF Noda Logistics Center	2	100.0	(Note 4)	206	1.9	2	100.0	(Note 4)	210	2.0
IIF Shinsuna Logistics Center	1	100.0	179	161	1.5	1	100.0	179	160	1.5
IIF Koshigaya Logistics Center	1	100.0	77	69	0.6	1	100.0	83	75	0.7
IIF Nishinomiya Logistics Center	2	100.0	(Note 4)	81	0.8	2	100.0	(Note 4)	82	0.8
IIF Narashino Logistics Center (Land with leasehold interest)	1	100.0	(Note 4)	37	0.3	1	100.0	(Note 4)	37	0.3
IIF Narashino Logistics Center II (Note 5)	2	100.0	(Note 4)	169	1.6	2	100.0	(Note 4)	171	1.6
IIF Atsugi Logistics Center II	1	100.0	(Note 4)	113	1.1	1	100.0	(Note 4)	114	1.1
IIF Yokohama Tsuzuki Logistics Center	1	100.0	(Note 4)	80	0.7	1	100.0	(Note 4)	81	0.8
IIF Saitama Logistics Center	1	100.0	66	60	0.6	1	100.0	66	61	0.6
IIF Nagoya Logistics Center	1	100.0	(Note 4)	42	0.4	1	100.0	(Note 4)	46	0.4
IIF Atsugi Logistics Center III	1	100.0	(Note 4)	79	0.7	1	100.0	(Note 4)	80	0.7
IIF Kawaguchi Logistics Center	1	100.0	(Note 4)	101	0.9	1	100.0	(Note 4)	106	1.0
IIF Kobe Logistics Center	1	100.0	(Note 4)	180	1.7	1	100.0	(Note 4)	10	0.1
IIF Higashi-Osaka Logistics Center	2	97.3	(Note 4)	88	0.8	2	97.3	(Note 4)	87	0.8
IIF Kashiwa Logistics Center	1	100.0	(Note 4)	77	0.7	1	100.0	(Note 4)	80	0.7
IIF Misato Logistics Center	1	100.0	(Note 4)	123	1.1	1	100.0	(Note 4)	116	1.1
IIF Iruma Logistics Center	1	100.0	(Note 4)	98	0.9	1	100.0	(Note 4)	105	1.0
IIF Tosu Logistics Center	2	100.0	(Note 4)	52	0.5	2	100.0	(Note 4)	53	0.5
IIF Inzai Logistics Center	1	100.0	(Note 4)	36	0.3	1	100.0	(Note 4)	37	0.3
IIF Morioka Logistics Center	1	100.0	(Note 4)	38	0.4	1	100.0	(Note 4)	38	0.4
IIF Hiroshima Logistics Center	1	100.0	(Note 4)	120	1.1	1	100.0	(Note 4)	120	1.1
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	1	100.0	(Note 4)	111	1.0	1	100.0	(Note 4)	111	1.0
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 4)	28	0.3	1	100.0	(Note 4)	28	0.3
IIF Kyotanabe Logistics Center	1	100.0	(Note 4)	174	1.6	1	100.0	(Note 4)	173	1.6
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1	100.0	(Note 4)	27	0.3	1	100.0	(Note 4)	27	0.3
IIF Fukuoka Higashi Logistics Center	1	100.0	(Note 4)	51	0.5	1	100.0	(Note 4)	51	0.5
IIF Osaka Konohana Logistics Center	1	100.0	(Note 4)	215	2.0	1	100.0	(Note 4)	216	2.0
IIF Kazo Logistics Center	1	100.0	(Note 4)	67	0.6	1	100.0	(Note 4)	67	0.6

Name of property	For the six months ended January 31, 2021					For the six months ended July 31, 2021				
	Number of tenants	Occupancy ratio	Rental revenues	Rental net operating income (NOI)	Composition ratio of NOI	Number of tenants	Occupancy ratio	Rental revenues	Rental net operating income (NOI)	Composition ratio of NOI
	(Note 1)	(%) (Note 2)	(Millions of yen)	(Millions of yen) (Note 3)	(%) (Note 2)	(Note 1)	(%) (Note 2)	(Millions of yen)	(Millions of yen) (Note 3)	(%) (Note 2)
IIF Hamura Logistics Center	1	100.0	(Note 4)	22	0.2	1	100.0	(Note 4)	23	0.2
IIF Fukuoka Hakozaki Logistics Center I	3	100.0	(Note 4)	120	1.1	3	100.0	(Note 4)	120	1.1
IIF Fukuoka Hakozaki Logistics Center II	4	100.0	(Note 4)	248	2.3	4	100.0	(Note 4)	265	2.5
IIF Itabashi Logistics Center	1	100.0	(Note 4)	38	0.4	1	100.0	(Note 4)	36	0.3
IIF Sendai Taiwa Logistics Center	1	100.0	(Note 4)	47	0.4	1	100.0	(Note 4)	47	0.4
IIF Ota Logistics Center	1	100.0	(Note 4)	33	0.3	1	100.0	(Note 4)	33	0.3
IIF Osaka Suminoe Logistics Center I	1	100.0	(Note 4)	256	2.4	1	100.0	(Note 4)	257	2.4
IIF Osaka Suminoe Logistics Center II	1	100.0	(Note 4)	60	0.6	1	100.0	(Note 4)	52	0.5
IIF Morioka Logistics Center II	1	100.0	(Note 4)	37	0.3	1	100.0	(Note 4)	36	0.3
IIF Sapporo Logistics Center	1	100.0	(Note 4)	64	0.6	1	100.0	(Note 4)	66	0.6
IIF Hitachinaka Port Logistics Center (Land with leasehold interest)	—	—	(Note 4)	19	0.2	—	—	—	—	—
IIF Koriyama Logistics Center	2	100.0	(Note 4)	96	0.9	2	100.0	(Note 4)	95	0.9
IIF Kobe Nishi Logistics Center (Land with leasehold interest)	1	100.0	(Note 4)	40	0.4	1	100.0	(Note 4)	40	0.4
IIF Hyogo Tatsuno Logistics Center	1	100.0	(Note 4)	109	1.0	1	100.0	(Note 4)	109	1.0
IIF Akishima Logistics Center	1	100.0	(Note 4)	171	1.6	1	100.0	(Note 4)	174	1.6
IIF Gifu Kakamigahara Logistics Center	1	100.0	(Note 4)	72	0.7	1	100.0	(Note 4)	72	0.7
IIF Hiroshima Seifushinto Logistics Center	1	100.0	(Note 4)	192	1.8	1	100.0	(Note 4)	176	1.6
IIF Shonan Logistics Center	1	100.0	(Note 4)	185	1.7	1	100.0	(Note 4)	189	1.8
IIF Totsuka Technology Center (Land with leasehold interest)	1	100.0	154	137	1.3	1	100.0	154	137	1.3
IIF Yokohama Tsuzuki Technology Center	1	100.0	59	40	0.4	1	100.0	59	40	0.4
IIF Mitaka Card Center	1	100.0	364	310	2.9	1	100.0	365	308	2.9
IIF Kamata R&D Center	1	100.0	(Note 4)	238	2.2	1	100.0	(Note 4)	238	2.2
IIF Kawasaki Science Center	1	100.0	(Note 4)	81	0.8	1	100.0	(Note 4)	81	0.8
IIF Sagamiyama R&D Center	2	100.0	(Note 4)	162	1.5	2	100.0	(Note 4)	162	1.5
IIF Yokohama Shinyamashita R&D Center	1	100.0	(Note 4)	104	1.0	1	100.0	(Note 4)	104	1.0
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 4)	42	0.4	1	100.0	(Note 4)	42	0.4
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	1	100.0	(Note 4)	37	0.3	1	100.0	(Note 4)	37	0.3
IIF Yokosuka Technology Center	1	100.0	(Note 4)	138	1.3	1	100.0	(Note 4)	139	1.3
IIF Shonan Technology Center	1	100.0	(Note 4)	39	0.4	1	100.0	(Note 4)	40	0.4
IIF Hiroshima Manufacturing Center (Land with leasehold interest) (Note 6)	1	100.0	(Note 4)	49	0.5	—	—	(Note 4)	8	0.1

Name of property	For the six months ended January 31, 2021					For the six months ended July 31, 2021				
	Number of tenants	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen)	Composition ratio of NOI (%)	Number of tenants	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen)	Composition ratio of NOI (%)
	(Note 1)	(Note 2)	(Note 4)	(Note 3)	(Note 2)	(Note 1)	(Note 2)	(Note 4)	(Note 3)	(Note 2)
IIF Totsuka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 4)	57	0.5	1	100.0	(Note 4)	57	0.5
IIF Atsugi Manufacturing Center (Note 7)	2	100.0	(Note 4)	357	3.3	2	100.0	(Note 4)	349	3.3
IIF Tsukuba Manufacturing Center (Land with leasehold interest) (Note 8)	1	100.0	(Note 4)	37	0.3	—	—	(Note 4)	13	0.1
IIF Shin-Kawasaki R&D Center	1	100.0	(Note 4)	232	2.1	1	100.0	(Note 4)	234	2.2
IIF Ichikawa Food Processing Center	2	100.0	(Note 4)	139	1.3	2	100.0	(Note 4)	140	1.3
IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 4)	5	0.1	1	100.0	(Note 4)	5	0.1
IIF Yokohama Tsuzuki R&D Center	1	100.0	(Note 4)	196	1.8	1	100.0	(Note 4)	185	1.7
IIF Okazaki Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 4)	100	0.9	1	100.0	(Note 4)	98	0.9
IIF Shonan Health Innovation Park	8	100.0	(Note 4)	866	8.0	8	100.0	(Note 4)	964	9.0
IIF Ichihara Manufacturing Center (Land with leasehold interest)	2	100.0	(Note 4)	332	3.1	2	100.0	(Note 4)	491	4.6
IIF Kobe District Heating and Cooling Center	4	100.0	332	307	2.9	4	100.0	332	311	2.9
IIF Haneda Airport Maintenance Center	1	100.0	1,468	958	8.9	1	100.0	1,492	983	9.2
IIF Zama IT Solution Center (Note 9)	1	100.0	(Note 4)	201	1.9	—	—	(Note 4)	99	0.9
IIF Shinagawa Data Center	1	100.0	(Note 4)	168	1.6	1	100.0	(Note 4)	167	1.6
IIF Osaka Toyonaka Data Center	1	100.0	(Note 4)	209	1.9	1	100.0	(Note 4)	208	1.9
IIF Osaka Nanko IT Solution Center	1	100.0	(Note 4)	73	0.7	1	100.0	(Note 4)	76	0.7
IIF Nagoya Port Tank Terminal (Land with leasehold interest)	1	100.0	(Note 4)	62	0.6	1	100.0	(Note 4)	62	0.6
IIF Shinagawa IT Solution Center (Note 10)	9	100.0	(Note 4)	182	1.7	9	100.0	(Note 4)	205	1.9
IIF Higashimatsuyama Gas Tank Maintenance Center (Land with leasehold interest)	1	100.0	(Note 4)	17	0.2	1	100.0	(Note 4)	17	0.2
Total (Note 11)	110	100.0	13,867	10,773	100.0	107	100.0	14,884	10,735	100.0

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

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

Note 3 "Rental net operating income (NOI)" is calculated by following formula.
(Rental revenues – Rental expenses) + Depreciation

Note 4 Rental revenues are not disclosed because the consent from the tenants has not been obtained.

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 sold on March 25, 2021.

Note 7 As the Investment Corporation invests in IIF Atsugi Manufacturing Center both land with leasehold interest (the lessee of leased land is the trustee with respect to the building of the property) and building in form of the trust beneficial interests separately, "Number of tenants" shows total of the number of tenant of leased land and that of the building.

Note 8 The property was sold on April 16, 2021.

Note 9 The property was sold on April 30, 2021.

Note 10 The property was sold on August 2, 2021.

Note 11 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.

(3) Capital expenditures for property

1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of July 31, 2021 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 July 31, 2021	Total of advanced payment
IIF Kobe Logistics Center	Kobe-shi, Hyogo	Large renovation (Installment of partition wall, enlargement of ELV and vertical carrier, etc)	April, 2021 to April, 2022	579	1	6
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of lighting equipment at building 1	November, 2021 to June, 2022	285	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A-building for B-building (A33E)	December, 2021 to June, 2022	262	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal construction of fire extinguisher equipment (1st period / 2 periods)	May, 2022 to July, 2023	253	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A-building for B-building (A32E)	June, 2021 to October, 2021	251	0	0
IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Waterproofing construction of rooftop parking and tower	January, 2022 to November, 2022	143	-	-
IIF Noda Logistics Center	Noda-shi, Chiba	Rezoning construction of disaster prevention section (Japan Logistic Systems Corp. area)	August, 2021 to March, 2022	120	0	0
IIF Noda Logistics Center	Noda-shi, Chiba	Rezoning construction of disaster prevention section (MDL area)	August, 2021 to December, 2022	120	0	0
IIF Yokohama Tsuzuki Technology Center	Yokohama-shi, Kanagawa	Renewal of air conditioning system	October, 2021 to May, 2022	101	-	-
IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Renewal of cargo elevator (No.4, 5 and 6)	August, 2022 to November, 2022	90	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Rezoning construction of office at M floor	November, 2021 to January, 2022	75	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electric power monitoring equipment	January, 2023 to August, 2023	65	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of access point equipment	August, 2021 to January, 2022	51	-	-
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of VCB (electrical generator) 1st period / 2 periods	December, 2021	50	-	-

2. Capital expenditures for the six months ended July 31, 2021

Maintenance expenditures on property for the six months ended July 31, 2021 were totaling to ¥1,793 million consisting of ¥1,109 million of capital expenditures stated as below and ¥684 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 Shinonome Logistics Center	Koto-ku, Tokyo	Repair of rooftop, outer wall and green space (1st period / 4 periods)	October, 2020 to July, 2021	112
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of the central monitoring equipment RS device	June, 2021	58
IIF Mitaka Card Center	Mitaka-shi, Tokyo	Renewal of chiller unit	June, 2021 to July, 2021	58
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of main loop HUB for central monitoring equipment	March, 2021	51
Other	-	-	-	829
Total				1,109