

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JULY 31, 2022

September 14, 2022

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:	KJR Management (Former name: Mitsubishi Corp.-UBS Realty Inc.)
Representative of the asset manager:	Naoki Suzuki, President & CEO
Contact:	Hidehiko Ueda, Executive Officer Head of Industrial Division Tel: (03)5293-7091
Scheduled date for filing of securities report:	October 27, 2022
Scheduled date for distributions payment:	October 20, 2022
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, 2022 (February 1, 2022 to July 31, 2022)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2022	17,194	4.2	7,462	9.9	6,494	12.2	6,492	12.2
January 31, 2022	16,493	7.5	6,789	-11.2	5,787	-13.2	5,786	-13.2

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income
For the six months ended	Yen	%	%	%
July 31, 2022	3,136	3.4	1.6	37.8
January 31, 2022	2,795	3.1	1.4	35.1

(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
For the six months ended	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen	%	%
July 31, 2022	3,100	2,932	168	6,417	6,069	347	93.5	3.2
January 31, 2022	3,060	2,796	264	6,334	5,787	546	100.0	3.1

Note 1: All of distribution per unit in excess of profit for the six months ended July 31, 2022 amounting to ¥168 consist of other distribution in excess of profit. The ratio of decrease in net assets is 0.002.

Note 2: All of distribution per unit in excess of profit for the six months ended January 31, 2022 amounting to ¥264 consist of allowance for temporary difference adjustment.

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2022	417,430	189,358	45.4	91,476
January 31, 2022	413,419	189,173	45.8	91,387

(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, 2022	10,142	(6,450)	(2,934)	41,462
January 31, 2022	16,034	(19,144)	(1,804)	40,704

2. Outlook for the six months ending January 31, 2023 (August 1, 2022 to January 31, 2023) and July 31, 2023 (February 1, 2023 to July 31, 2023)

(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, 2023	17,922	4.2	7,562	1.3	6,549	0.8	6,547	0.8
July 31, 2023	16,583	-7.5	6,567	-13.2	5,573	-14.9	5,571	-14.9

	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, 2023	3,162	3,070	3,070	-
July 31, 2023	2,691	3,070	2,691	379

※ 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, 2022 2,070,016 units

As of January 31, 2022 2,070,016 units

Number of own investment units at the end of period:

As of July 31, 2022 0 units

As of January 31, 2022 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 75 properties whose total acquisition price amounted to 374,911 million yen as of July 31, 2022.

ii. Investment environment and management performance

In the fiscal period (February 2022 to July 2022), Japanese economy continued to face concerns about personal consumption and corporate performance due to the spread of a mutant strain of COVID-19 infection, the depreciation of the yen following a sharp interest rate hike by the Federal Reserve Board (FRB), and the impact of soaring resource prices in response to the situation in Ukraine, and so forth. Thus the outlook for the economy remains uncertain. Closely monitoring the impact of COVID-19 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 acquired IIF Iruma Manufacturing Center (land with leasehold interest) and IIF Tochigi Moka Manufacturing Center (land with leasehold interest) on April 1, 2022. In addition, IIF disposed IIF Inzai Logistics Center on July 27, 2022 through the active real estate market from the viewpoint of improving portfolio stability and stabilizing the level of distribution per unit by utilizing the gain on sale.

As a result, assets held by IIF as of July 31, 2022 totaled 374,911 million yen, including 46 logistics facilities, 22 manufacturing and R&D facilities, and 7 infrastructure facilities. As of July 31, 2022, the average occupancy rate was 98.6% 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

As for funding of interest-bearing debt for this fiscal period, IIF newly borrowed 3,400 million yen of short-term borrowings (average maturity period: 1 year) on April 1, 2022 to allocate the proceeds to acquire new properties.

In addition, IIF borrowed 2,200 million yen of long-term borrowings (average maturity period: 8.9 years) on February 4, 2022, 2,000 million yen of long-term borrowing (maturity period: 11 years) on March 29, 2022, 500 million yen of long-term borrowing (maturity period: 8 years) on March 31, 2022 and 1,500 million yen of long-term borrowing (maturity period: 10 years) on June 30, 2022 at fixed interest rate respectively and 800 million yen of long-term borrowing (maturity period: 1.1 years) on May 31, 2022 at float interest rate and repaid the same amount of long-term borrowings with maturities.

Through refinancing, IIF has established a financial structure capable of securing stable distributions over the long term by making long-term fixed borrowing periods, reducing interest costs and ensuring flexibility in future financial measures.

As a result, the total amount of IIF's interest-bearing debts as of July 31, 2022 is 202,783 million yen, which is comprised of 184,383 million yen in long-term borrowings (including long-term borrowings to be repaid within one year), 3,400 million yen in short-term borrowings and 15,000 million yen in investment corporation bonds (including long-term bonds to be redeemed within one year).

b) Equity Financing

During this fiscal period, IIF raised no fund through equity financing

iv. Overview of financial results and distributions

As a result of the above management activities, IIF recorded operating revenue of 17,194 million yen, operating income of 7,462 million yen, ordinary income of 6,494 million yen and net income of 6,492 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 6,069,286,912 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 reversal of an allowance for temporary difference adjustments and excluding fractional distributions of less than one yen per unit.

In addition, in accordance with the distribution policy stipulated in the Articles of Incorporation, when the amount of distribution per unit is expected to temporarily decrease to a certain degree in cases where, for example,; dilution or incurrence of considerable expenses due to the acquisition of assets or fund raising such as issuance of new investment units occur; losses on retirement of fixed assets or other accounting losses due to redevelopment such as reconstruction of property under management or a decrease in revenue during the period of redevelopment occur; decrease in revenues or incurrence of expenses for major repairs, etc. due to occurrence of natural disasters such as earthquakes, fires or other accident, payment of legal settlement money, etc., losses on retirement of fixed assets, losses on sales of fixed assets or other temporary incurrence of considerable expenses occur, IIF may make a distribution in the amount determined by IIF as a temporary cash distribution in excess of profit only when the distribution is intended to stabilize the amount of distribution per unit. As a result, other distributions in excess of profit per unit is set at 168 yen as distribution with decrease in investment capital, which falls under the category of distributions for reduction of capital, etc. under the tax law.

As a result, the distribution per unit for the period stood at 3,100 yen, including cash distribution in excess of profit.

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, 2022, IIF’s portfolio consisted of 75 properties for a total acquisition price of 374,911 million yen.

The average occupancy rate as of the end of the period stands at 98.6%. The properties are managed under long-term lease contracts with an average remaining lease period of 11.0 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, with regard to IIF Tosu Logistics Center, IIF terminated the lease agreement with the existing tenant having occupied approximately 50% of the total leasable area, and changed the lease contract party to the end-tenant of the area, and concluded a fixed-term lease agreement with rent increase. With regard to IIF Morioka Logistics Center, IIF negotiated with the tenant based on the market rent in time with termination of the fixed-term lease contract and IIF concluded the new fixed-term lease contract to increase rent and achieved improvement of profitability from the next fiscal year onward.

In addition, the redevelopment of IIF Atsugi Logistics Center III into a cold storage facility exclusively for Oisix La Daichi Inc. in collaboration with Tokyo Logistics Factory Co., Ltd. is underway steadily, and, with regard to IIF Hamura Logistics Center, the redevelopment has also started to embody the demand for a new base of operations in the West Tokyo area by Tokyo Logistics Factory Co., Ltd. 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, 2023 (August 1, 2022 to January 31, 2023) are operating revenue of 17,922 million yen, ordinary income of 6,549 million yen, net income of 6,547 million yen and distributions per unit of 3,070 yen. For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 31st Fiscal Period (August 1, 2022 to January 31, 2023) and the 32nd Fiscal Period (February 1, 2023 to July 31, 2023)”.

The main changes from the 30th Fiscal Period (February 1, 2022 to July 31, 2022) include the following.

Operating revenue (increase of 728 million yen from the previous fiscal period)

- Increase in rent revenue from two properties acquired in the fiscal period ended July 31, 2022 (February 1, 2022 to July 31, 2022) (full contribution)
- Increase in rent revenue from a property to be acquired in the fiscal period ending January 31, 2023 (August 1, 2022 to January 31, 2023) (partial contribution)
- Gain on sale from the disposition of IIF Osaka Nanko IT Solution Center on August 17, 2022
- Increase in utilities receivable at IIF Shonan Heath Innovation Park

Operating expense (increase of 628 million yen from the previous fiscal period)

- Increase in building management fee and utilities expense at IIF Shonan Health Innovation Park
- Decrease in depreciation due to redevelopment project of IIF Hamura Logistics Center
- Expensing property-related taxes on the three properties acquired in 2021 (full contribution)

(Reference)

The forecasts of operating results for the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) are operating revenue of 16,583 million yen, ordinary income of 5,573 million yen, net income of 5,571 million yen and distributions per unit of 3,070 yen (including a distribution per unit in excess of profit of 379 yen). For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 31st Fiscal Period (August 1, 2022 to January 31, 2023) and the 32nd Fiscal Period (February 1, 2023 to July 31, 2023)”.

Note: 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.

【Attachment】

Earnings Forecast Assumptions for the 31st Fiscal Period (August 1, 2022 to January 31, 2023) and the 32nd Fiscal Period (February 1, 2023 to July 31, 2023)

Item	Assumption								
Accounting period	31st Fiscal Period from August 1, 2022 to January 31, 2023 (184 days) 32nd Fiscal Period from February 1, 2023 to July 31, 2023 (181 days)								
Assets owned	<p>In addition to the real estate and trust beneficial interest in real estate for the 75 properties owned by IIF as of July 31, 2022, it is assumed that IIF acquires and disposes the following properties. IIF has concluded the purchase and sale agreements concerning the property to be acquired, and anticipated acquisition date and disposition date are as follows.</p> <table border="1"> <tr> <td colspan="2">< Property to be acquired ></td></tr> <tr> <td>IIF Yokkaichi Logistics Center (New Building)</td><td>Anticipated to be acquired on September 16, 2022</td></tr> <tr> <td colspan="2">< Property disposed ></td></tr> <tr> <td>IIF Osaka Nanko IT Solution Center</td><td>Completed disposing on August 17, 2022</td></tr> </table> <p>It is assumed that there is no change in the properties until the end of July 2023, however, there may be a change due to the acquisition or disposition of our properties in actual.</p>	< Property to be acquired >		IIF Yokkaichi Logistics Center (New Building)	Anticipated to be acquired on September 16, 2022	< Property disposed >		IIF Osaka Nanko IT Solution Center	Completed disposing on August 17, 2022
< Property to be acquired >									
IIF Yokkaichi Logistics Center (New Building)	Anticipated to be acquired on September 16, 2022								
< Property disposed >									
IIF Osaka Nanko IT Solution Center	Completed disposing on August 17, 2022								
Interest-bearing debt	<p>The total amount of interest-bearing debt as of July 31, 2022 was 202,783 million yen, consisting of long-term debt of 184,383 million yen (including those scheduled to be redeemed within one year.), short-term debt of 3,400 million yen and investment corporation bonds of 15,000 million yen.</p> <p>With regard to the long-term debts of 5,000 million yen and the investment corporation bonds of 5,000 million yen scheduled to arrive on maturity date or redemption date in the 31st fiscal period and the long-term debts of 10,100 million yen and the short-term debts of 3,400 million yen scheduled to arrive on maturity date in the 32nd fiscal period, IIF plans to refinance them of same amount of the long-term debts so forth.</p> <p>In addition, for the purpose of acquiring the asset to be acquired as described in "Assets owned" above, it is assumed that IIF borrows new long-term debts of 5,500 million yen on September 16, 2022.</p> <p>As a result, it is assumed that the total interest-bearing debts as of the end of January 2023 and the end of July 2023 are 208,283 million yen, respectively.</p>								
Operating revenues	<p>IIF has estimated the rent revenue taking into consideration market environment, characteristic of individual property, competitiveness of properties and status of individual tenant including a plan to move out, based on effective lease agreements during the 31st fiscal period and the 32nd fiscal period. It is assumed that there is no arrears or non-payments of rent during the 31st fiscal period and the 32nd fiscal period based on the assumptions described in "Assets owned" above. In addition, with regard to IIF Atsugi Logistics Center III and IIF Hamura Logistics Center in which IIF is implementing redevelopment project, it is assumed that no rent revenue is generated from the beginning of the 31st fiscal period.</p>								

Operating expenses	<p>Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 31st period are forecast to be approximately 1,419 million yen and approximately 978 million yen (including approximately 89 million yen for demolition cost of existing building of IIF Hamura Logistics Center*), respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 32nd period are forecast to be approximately 1,408 million yen and approximately 873 million yen, respectively. 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 because they are 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 to be acquired described in the above "Assets owned" will be recorded as expenses from the 32nd fiscal period. In addition, as for the property to be acquired, it is newly built, and thus it is assumed that there is no fixed property tax, city planning tax and depreciable property tax to be included in the acquisition cost.</p> <p>Depreciations including ancillary expenses for the 31st fiscal period and the 32nd fiscal period are calculated based on the straight-line method and are estimated to be approximately 2,057 million yen and approximately 2,056 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> <p>* In connection with the building demolition, the asset retirement obligations related to expenses for removal of the asbestos, which have been recorded since the 19th fiscal period ended December 2016, will be reversed. The amount of such reversal has been deducted from the existing building demolition costs.</p>
Non-operating expenses	<p>It is assumed that the non-operating expenses (the interest expenses, other debt-related expenses, etc.) for the 31st fiscal period and for the 32nd fiscal period are approximately 1,013 million yen and approximately 994 million yen, respectively. It is assumed that the amortization of the cost concerning the issuance of new investment units for the 31st fiscal period and for the 32nd fiscal period are approximately 29 million yen and approximately 13 million yen, respectively.</p>
Extraordinary gain or loss	No extraordinary gain or loss is expected for the 31st fiscal period and for the 32nd 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 31st fiscal period, however, 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 31st fiscal period and for the 32nd 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>The taxable income in excess of accounting income for the 31st fiscal period and for the 32nd fiscal period are as follows.</p> <p>For the 31st fiscal period, taxable income will be less than accounting income as a whole, and thus there will not be taxable income in excess of accounting income. Therefore, it is assumed that no distribution in excess of retained earnings per unit (allowance for temporary difference adjustments) is made.</p> <p>For the 32nd fiscal period, taxable income will exceed accounting income as a whole, and thus there will be taxable income in excess of accounting income. Therefore, it is assumed that distribution in excess of retained earnings per unit (allowance for temporary difference adjustments) is made.</p> <p>The 31st fiscal period</p> <p>(1) The taxable income in excess of accounting income related to interest costs</p>

	<p>for asset retirement obligations of asbestos removal of the IIF's asset and depreciation expenses relating to buildings, etc. (approximately 12 million yen).</p> <p>(2) The abolition of taxable income in excess of accounting income related to depreciation due to completion of demolition of existing buildings, etc. of IIF Hamura Logistic Center and related to asset retirement obligations of asbestos removal (approximately 204 million yen in total).</p> <p>The reversal of distribution in excess of profits (allowance for temporary difference adjustments) (approximately 192 million yen) will be equivalent to the amount calculated by deducting the amount of taxable income in excess of accounting income ((1)approximately 12 million yen) in the 31st fiscal period from reversal amount of allowance for temporary difference adjustments ((2)approximately 204 million yen) caused by abolition of taxable income in excess of accounting income of IIF Hamura Logistic Center.</p> <p>The 32nd fiscal period</p> <p>(3) The taxable income in excess of accounting income related to interest costs for asset retirement obligations of asbestos removal of the IIF's asset and depreciation expenses relating to buildings, etc. (approximately 12 million yen).</p>
Optimal payable distribution per unit (distribution with decrease in investment capital under tax law)	<p>For the 31st fiscal period, due to the expected gain on sale of IIF Osaka Nanko IT Solution Center (completed disposing on August 17, 2022), the new forecast of distribution per unit (3,070 yen), exceeding the initially announced forecast of distribution per unit (3,020 yen) in "Summary of Financial Results" dated March 16, 2022, is made. Therefore, it is assumed that no optimal payable distribution (distribution with decrease in investment capital under tax law) is made.</p> <p>For the 32nd fiscal period, it is assumed that optimal payable distribution (distribution under tax law with decrease in investment capital) of 374 yen per unit is made. Details are as follows.</p> <ul style="list-style-type: none"> • In accordance with the policy of temporary distribution in excess of profits (*1), in the event that the amount of distribution per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution of 364 yen per unit is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit. <ul style="list-style-type: none"> (1) Decrease in rent revenue due to the implementation of redevelopment project of IIF Atsugi Logistics Center III (36 yen) (2) Decrease in rent revenue due to the implementation of redevelopment project of IIF Hamura Logistics Center (9 yen) (3) Increase in utility cost (*2) at IIF Shonan Health Innovation Park due to soaring resource prices (310 yen) (4) Increase in repair cost (*3) for renovation of vacant area at IIF Shonan Health Innovation Park (9 yen) • In accordance with the policy of continuous distributions in excess of profits (*4), for redevelopment properties and newly constructed properties, etc., which have a high building value ratio and a high depreciation ratio, among the newly acquired assets, the policy shall be to distribute an amount determined by IIF up to 30% of the depreciation for the relevant operating period for such properties as cash in excess of profits, in principle, for each fiscal period., and it is assumed that continuous distributions in excess of profits of 10 yen per unit for the property to be acquired is made. <p>*1 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 Profits on the latest securities report (submitted on April 27, 2022).</p> <p>*2 Optimal payable distribution per unit (distribution with decrease in investment capital under tax law) is subject to the amount in excess of initial estimates (950</p>

	<p>million yen in the 31st fiscal period, 870 million yen in the 32nd fiscal period,).</p> <p>*3 Optimal payable distribution per unit (distribution with decrease in investment capital under tax law) is subject to the amount in excess of repair cost (750 million yen per fiscal period / full-ownership interest basis) which had been initially estimated at the time of acquisition of IIF Shonan Health Innovation Park (40% co-ownership interest) (August 2, 2021).</p> <p>*4 With respect to the continuous distribution policy in excess of earnings, as described in the extraordinary report submitted on September 14, 2022, the distribution policy shall be changed on the condition that the proposal for partial amendment to the Articles of Incorporation be resolved at the General Meeting of Unitholders to be held on October 28, 2022. For details, please refer to the extraordinary report submitted on September 14, 2022.</p>
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The summary of the property to be acquired is as follows.

Name of property to be acquired	Location	Type	Anticipated acquisition price (million yen)	Appraisal value (million yen) (Note2)
IIF Yokkaichi Logistics Center (New Building)	1340-8, Aza Yamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, Japan and others	Logistics Facilities	5,382	6,010

(Note1) For the details of the property to be acquired, please refer to below.

- IIF Yokkaichi Logistics Center (New Building) : “Notice Concerning Acquisition of Real Estate Trust Beneficiary Right and Amendment of Anticipated Acquisition Price 【IIF Yokkaichi Logistics Center (New Building and Existing Building)】 ” dated December 8, 2021

(Note2)The appraisal value of IIF Yokkaichi Logistics Center (New Building) is the appraisal value based on the appraisal report as of July 31, 2022.

The summary of the property disposed is as follows.

Name of property disposed	Location	Type
IIF Osaka Nanko IT Solution Center	1-1-23, Nanko-Kita, Suminoe-ku, Osaka-shi, Osaka, Japan	Infrastructure Facilities

(Note) For the details of the property disposed, please refer to the press release titled “Notice Concerning Disposition of One Property in Japan 【IIF Osaka Nanko IT Solution Center】 ” dated July 6, 2022.

(2) Investment risk

There are no significant changes of “Investment risk” from the latest securities report (submitted on April 27, 2022), and the disclosure of these matters is omitted.

2. Financial information

(1) Balance sheets

		(Thousands of yen)	
		As of	
		January 31, 2022	July 31, 2022
ASSETS			
Current assets:			
Cash and bank deposits	33,529,077	35,580,310	
Cash and bank deposits in trust	7,175,794	5,882,308	
Rental receivables	417,733	785,734	
Prepaid expenses	793,121	993,820	
Income taxes receivable	121	-	
Consumption taxes refundable	338,989	-	
Other	3,183	1,809	
Total current assets	42,258,021	43,243,983	
Noncurrent assets:			
Property, plant and equipment:			
Buildings, at cost	34,970,399	35,128,687	
Less: Accumulated depreciation	(9,192,320)	(9,618,348)	
Buildings, net	25,778,079	25,510,338	
Structures, at cost	116,956	118,298	
Less: Accumulated depreciation	(51,538)	(55,655)	
Structures, net	65,418	62,643	
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	26,461	26,719	
Less: Accumulated depreciation	(11,762)	(13,091)	
Tools, furniture and fixtures, net	14,699	13,627	
Land	19,192,636	20,375,013	
Construction in progress	51,500	985,268	
Buildings in trust, at cost	101,084,532	101,999,452	
Less: Accumulated depreciation	(16,911,155)	(18,470,039)	
Buildings in trust, net	84,173,376	83,529,412	
Structures in trust, at cost	1,100,489	1,108,452	
Less: Accumulated depreciation	(539,118)	(581,465)	
Structures in trust, net	561,371	526,987	
Machinery and equipment in trust, at cost	132,642	132,642	
Less: Accumulated depreciation	(55,511)	(62,719)	
Machinery and equipment in trust, net	77,130	69,922	
Tools, furniture and fixtures in trust, at cost	192,359	260,079	
Less: Accumulated depreciation	(30,773)	(46,394)	
Tools, furniture and fixtures in trust, net	161,585	213,684	
Land in trust	219,702,701	221,685,590	
Construction in progress in trust	14,806	8,641	
Total net property, plant and equipment	349,793,306	352,981,131	
Intangible assets:			
Leasehold right (Note 1)	19,833,966	19,833,966	
Other	5,741	4,486	
Total intangible assets	19,839,707	19,838,452	
Investments and other assets:			
Investment securities	89,395	83,335	
Lease and guarantee deposits	10,200	10,200	
Long-term prepaid expenses	1,277,953	1,171,386	
Other	4,050	4,050	
Total investments and other assets	1,381,599	1,268,971	
Total noncurrent assets	371,014,614	374,088,556	
Deferred assets:			
Investment unit issuance costs	87,479	43,801	
Investment corporation bonds issuance costs	59,632	54,078	
Total deferred assets	147,112	97,880	
TOTAL ASSETS	413,419,748	417,430,420	

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, 2022	July 31, 2022
LIABILITIES		
Current liabilities:		
Operating accounts payable	2,150,989	1,764,787
Short-term loans payable	-	3,400,000
Current portion of investment corporation bonds – unsecured	5,000,000	5,000,000
Current portion of long-term loans payable	12,000,000	15,100,000
Accounts payable – other	782,493	771,782
Accrued expenses	144,911	136,406
Income taxes payable	698	936
Consumption taxes payable	-	582,697
Advances received	2,908,018	2,998,660
Other	13,832	89,203
Total current liabilities	23,000,944	29,844,474
Noncurrent liabilities:		
Investment corporation bonds – unsecured	10,000,000	10,000,000
Long-term loans payable	172,383,000	169,283,000
Tenant leasehold and security deposits	2,491,250	2,629,362
Tenant leasehold and security deposits in trust	15,435,646	15,474,062
Asset retirement obligations	886,119	835,531
Derivatives liabilities	49,434	1,227
Other	13	4,212
Total noncurrent liabilities	201,245,464	198,227,397
TOTAL LIABILITIES	224,246,409	228,071,871
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	183,865,203	183,865,203
Capital deduction:		
Allowance for temporary difference adjustment (Note 2)	(216,796)	(732,463)
Other deduction of unitholders' capital	(293,688)	(293,688)
Total capital deduction	(510,485)	(1,026,151)
Unitholders' capital, net	183,354,718	182,839,051
Surplus:		
Retained earnings	5,876,591	6,550,920
Total surplus	5,876,591	6,550,920
Total unitholders' equity	189,231,310	189,389,972
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	(57,971)	(31,423)
Total valuation and translation adjustments	(57,971)	(31,423)
TOTAL NET ASSETS (Note 3)	189,173,338	189,358,548
TOTAL LIABILITIES AND NET ASSETS	413,419,748	417,430,420

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, 2022	July 31, 2022
Operating revenue		
Rent revenue—real estate (Note 4)	16,206,072	16,334,072
Gain on sales of property (Note 5)	285,967	858,612
Dividend income from investments in Tokumei Kumiai	1,524	1,447
Total operating revenue	16,493,563	17,194,132
Operating expenses		
Expenses related to property rental business (Note 4)	8,228,437	8,293,561
Asset management fees	1,252,816	1,241,470
Directors' compensations	7,440	7,440
Asset custody fees	9,264	9,306
Administrative service fees	38,268	38,135
Other	168,251	141,844
Total operating expenses	9,704,479	9,731,759
Operating income	6,789,084	7,462,373
Non-operating income		
Interest income	200	214
Interest on refund	-	795
Reversal of distribution payable	701	323
Other	14	-
Total non-operating income	915	1,333
Non-operating expenses		
Interest expenses	672,086	646,822
Interest expenses on investment corporation bonds	60,362	62,207
Amortization of investment corporation bonds issuance costs	5,263	5,554
Borrowing related expenses	213,223	207,586
Amortization of investment unit issuance costs	49,429	43,678
Other	1,790	3,682
Total non-operating expenses	1,002,156	969,530
Ordinary income	5,787,844	6,494,176
Income before income taxes	5,787,844	6,494,176
Income taxes		
Current	918	1,264
Total income taxes	918	1,264
Net income	5,786,926	6,492,911
Retained earnings brought forward	89,665	58,009
Unappropriated retained earnings	5,876,591	6,550,920

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, 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
Changes during the period											
Dividends from surplus	-	-	-	-	-	(6,663,381)	(6,663,381)	(6,663,381)	-	-	(6,663,381)
Reversal of allowance for temporary difference adjustment	-	25,289	-	25,289	25,289	(25,289)	(25,289)	-	-	-	-
Dividend in excess of profit from allowance for temporary difference adjustment	-	(97,290)	-	(97,290)	(97,290)	-	-	(97,290)	-	-	(97,290)
Net income	-	-	-	-	-	5,786,926	5,786,926	5,786,926	-	-	5,786,926
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	30,817	30,817	30,817
Total changes during the period	-	(72,001)	-	(72,001)	(72,001)	(901,744)	(901,744)	(973,746)	30,817	30,817	(942,928)
Balance as of January 31, 2022	183,865,203	(216,796)	(293,688)	(510,485)	183,354,718	5,876,591	5,876,591	189,231,310	(57,971)	(57,971)	189,173,338
Changes during the period											
Dividends from surplus	-	-	-	-	-	(5,787,764)	(5,787,764)	(5,787,764)	-	-	(5,787,764)
Reversal of allowance for temporary difference adjustment	-	30,817	-	30,817	30,817	(30,817)	(30,817)	-	-	-	-
Dividend in excess of profit from allowance for temporary difference adjustment	-	(546,484)	-	(546,484)	(546,484)	-	-	(546,484)	-	-	(546,484)
Net income	-	-	-	-	-	6,492,911	6,492,911	6,492,911	-	-	6,492,911
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	26,547	26,547	26,547
Total changes during the period	-	(515,666)	-	(515,666)	(515,666)	674,328	674,328	158,662	26,547	26,547	185,210
Balance as of July 31, 2022	183,865,203	(732,463)	(293,688)	(1,026,151)	182,839,051	6,550,920	6,550,920	189,389,972	(31,423)	(31,423)	189,358,548

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, 2022	July 31, 2022
I Unappropriated retained earnings	5,876,591,930	6,550,920,774
II Distributions in excess of profit	546,484,224	347,762,688
Allowance for temporary difference adjustment	546,484,224	-
Other unitcapital deduction	-	347,762,688
III Capitalization	30,817,738	449,390,385
Reversal of allowance for temporary difference adjustment	30,817,738	449,390,385
IV Cash distribution declared	6,334,248,960	6,417,049,600
<i>(Cash distribution declared per unit)</i>	<i>(3,060)</i>	<i>(3,100)</i>
Profit distributions	5,787,764,736	6,069,286,912
<i>(Profit distributions per unit)</i>	<i>(2,796)</i>	<i>(2,932)</i>
Allowance for temporary difference adjustment	546,484,224	-
<i>(Distribution per unit in excess of profit from allowance for temporary difference adjustment)</i>	<i>(264)</i>	<i>(-)</i>
Other distribution in excess of profit	-	347,762,688
<i>(Distribution per unit in excess of profit from other distribution in excess of profit)</i>	<i>(-)</i>	<i>(168)</i>
V Retained earnings carried forward	58,009,456	32,243,477

Note:

For the six months ended January 31, 2022:

Cash distributions declared for the six months ended January 31, 2022 were ¥6,334,248,960.

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, 2022 were ¥5,787,764,736 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, 2022 were amounting to ¥546,484,224, 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 January 31, 2022 totaled ¥6,334,248,960.

For the six months ended July 31, 2022:

Cash distributions declared for the six months ended July 31, 2022 were ¥6,417,049,600.

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, 2022 were ¥6,069,286,912 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 declared distributions in excess of profit as unitcapital deduction to level cash distributions amounting to ¥347,762,688 in accordance with the policy for the distributions in excess of profit prescribed in the article of incorporation 25, Paragraph 2. As a result, cash distributions declared for the six months ended July 31, 2022 totaled ¥6,417,049,600.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	January 31, 2022	July 31, 2022
Net cash provided by (used in) operating activities:		
Income before income taxes	5,787,844	6,494,176
Depreciation and amortization	2,456,241	2,161,044
Amortization of investment corporation bonds issuance costs	5,263	5,554
Amortization of investment unit issuance costs	49,429	43,678
Interest income	(200)	(214)
Interest expenses	732,449	709,029
Changes in assets and liabilities:		
Decrease (increase) in operating accounts receivable	354,786	(368,001)
Decrease (increase) in consumption taxes refundable	(338,989)	338,989
Decrease (increase) in prepaid expenses	45,812	(200,698)
Decrease (increase) in long-term prepaid expenses	(77,199)	106,567
Increase (decrease) in operating accounts payable	362,781	(140,436)
Increase (decrease) in accounts payable - other	1,345	25,214
Increase (decrease) in accrued expenses	0	103
Increase (decrease) in consumption taxes payable	(951,602)	582,697
Increase (decrease) in advances received	511,945	90,641
Increase (decrease) in other noncurrent liabilities	(43)	4,198
Decrease from sales of property and equipment in trust	7,838,629	995,482
Other, net	(25,435)	13,204
Subtotal	16,753,059	10,861,229
Interest income received	200	214
Interest expenses paid	(718,023)	(717,637)
Income taxes paid	(1,195)	(904)
Net cash provided by operating activities	16,034,039	10,142,901
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(111,994)	(2,303,022)
Purchases of property, plant and equipment in trust	(20,660,930)	(4,330,386)
Proceeds from tenant leasehold and security deposits	-	138,202
Payments of tenant leasehold and security deposits	-	(90)
Proceeds from tenant leasehold and security deposits in trust	2,036,905	334,941
Payments of tenant leasehold and security deposits in trust	(408,179)	(296,526)
Proceeds from investment securities	-	6,060
Net cash used in investing activities	(19,144,198)	(6,450,820)
Net cash provided by (used in) financing activities:		
Proceeds from short-term loans payable	5,000,000	3,400,000
Repayments of short-term loans payable	(5,000,000)	-
Proceeds from long-term loans payable	5,600,000	7,000,000
Repayments of long-term loans payable	(5,600,000)	(7,000,000)
Proceeds from issuance of investment corporation bonds	5,000,000	-
Payments of investment corporation bonds issuance costs	(41,148)	-
Dividends paid	(6,763,200)	(6,334,334)
Net cash used in financing activities	(1,804,349)	(2,934,334)
Net change in cash and cash equivalents	(4,914,507)	757,746
Cash and cash equivalents at beginning of period	45,619,379	40,704,872
Cash and cash equivalents at end of period (Note 6)	40,704,872	41,462,619

(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	5 - 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) Revenue recognition

The content of the performance obligations regarding the revenue arising from contracts with the customers of the Investment Corporation and the normal point in time when satisfying such performance obligations (normal point in time when recognizing revenues) are mainly as follows:

(1) Sale of property

Revenue from sale of property is recognized when the purchaser, which is a customer, acquires control of the property by fulfilling the delivery obligations stipulated in the sale contract of the property.

(2) Common area charges

For common area charges, revenue is recognized based on the supply of electricity, water, etc. to the lessee, which is a customer, in accordance with the terms of the lease agreement of properties and accompanying agreements. Of utilities revenue, when the Investment Corporation is deemed to be an agent in the transaction, the net amount obtained by deducting the amount paid to other related parties supplying electricity, water, etc. from the amount received as the charges for electricity, water, etc. is recognized as revenue.

(h) 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 ¥129,549 thousand and ¥7,403 thousand for the six months ended January 31, 2022 and July 31, 2022, respectively.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(8) Notes to change in accounting estimates

Change in estimated useful life of property

Since a redevelopment project for IIF Hamura Logistics Center (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.

In addition, with respect to asset retirement obligation to remove asbestos contained in the buildings of the property, estimated cost and time of the removal was changed because the removal construction contract was concluded. The amount of decrease in the obligation due to change in estimates is ¥22,657 thousand and deducted from balance of asset retirement obligation.

As a result of these changes, operating income, ordinary income and income before income taxes for the six months ended July 31, 2022 decreased ¥190,009 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, 2022 and July 31, 2022 are as follows:

For the six months ended January 31, 2022:

(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	128,263	30,972	97,290	-	128,263	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	113,823	-	(25,289)	88,533	(ii)
Total		533,711	144,795	97,290	(25,289)	216,796	

For the six months ended July 31, 2022:

(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	674,747	128,263	546,484	-	674,747	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	88,533	-	(30,817)	57,715	(ii)
Total		1,080,196	216,796	546,484	(30,817)	732,463	

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, 2022	July 31, 2022
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, 2022 and July 31, 2022 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2022	July 31, 2022
Rent revenue—real estate:		
Rental and parking revenue	15,899,143	15,996,756
Common area charges	216,832	236,047
Other	90,096	101,267
Total rent revenue-real estate	16,206,072	16,334,072
Expenses related to property rental business:		
Property management fees	76,599	79,880
Facility management fees	1,768,994	1,632,470
Utilities	1,305,890	1,548,886
Property-related taxes	1,274,282	1,362,594
Insurance	50,002	48,198
Repair and maintenance	839,974	993,651
Depreciation	2,456,241	2,161,044
Trust fees	17,718	19,121
Leasehold rents	430,378	439,825
Other	8,356	7,886
Total expenses related to property rental business	8,228,437	8,293,561
Operating income from property leasing activities	7,977,634	8,040,510

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, 2022	July 31, 2022
Sale of property	8,200,000	1,925,000
Cost of property	7,838,629	995,482
Other sales expenses	75,403	70,904
Gain on sales of property, net	285,967	858,612

Note 6 — 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, 2022	July 31, 2022
Cash and bank deposits	33,529,077	35,580,310
Cash and bank deposits in trust	7,175,794	5,882,308
Cash and cash equivalents	40,704,872	41,462,619

Note 7 — 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, 2022 and July 31, 2022 scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	January 31, 2022	July 31, 2022
Due within one year	28,587,866	28,293,021
Due after one year	120,225,380	108,731,895
Total	148,813,246	137,024,916

Note 8 — 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. 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 estimated by using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated fair value may differ. In addition, notional amounts relating to derivatives shown in "Note 9—Derivative instruments" do not, by themselves, represent the market risk exposure associated with the derivative transactions.

(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, 2022 and July 31, 2022. Information on cash and bank deposits, those in trust and short-term loans payable is omitted because the carrying amounts approximate their fair value due to their short maturities. Also, information on tenant leasehold and security deposits and those in trust is omitted as immaterial.

	As of January 31, 2022			As of July 31, 2022		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Current portion of investment corporation bonds—unsecured	5,000,000	5,046,450	46,450	5,000,000	5,020,200	20,200
(2) Current portion of long-term loans payable	12,000,000	12,016,600	16,600	15,100,000	15,142,287	42,287
(3) Investment corporation bonds—unsecured	10,000,000	9,921,110	(78,890)	10,000,000	9,874,670	(125,330)
(4) Long-term loans payable	172,383,000	174,924,396	2,541,396	169,283,000	170,980,101	1,697,101
Total liabilities	199,383,000	201,908,557	2,525,557	199,383,000	201,017,258	1,634,258
Derivatives (derivatives liabilities), net	(57,971)	(57,971)	-	(31,423)	(31,423)	-

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

Liabilities

(1) Current portion of investment corporation bonds—unsecured and (3) Investment corporation bonds—unsecured

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

(2) Current portion of long-term loans payable and (4) 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.

Derivatives

Please refer to "Note 9 - Derivative instruments."

Note (ii): Equity interests in silent partnership

For equity interests in silent partnership, notes relating to the matters stipulated in Paragraph 4, item 1 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (Accounting Standards Board of Japan Guidance No. 19 revised on March 31, 2020) are omitted as the Investment Corporation applies the treatment stipulated in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No. 31 issued on July 4, 2019).

The net book values of equity interests in silent partnership are ¥89,395 thousand and ¥83,335 thousand as of January 31, 2022 and July 31, 2022, respectively.

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

As of January 31, 2022	(Thousands of yen)					
	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	5,000,000
Long-term loans payable	12,000,000	20,300,000	18,500,000	20,250,000	18,150,000	95,183,000
Total	17,000,000	20,300,000	20,500,000	20,250,000	21,150,000	100,183,000
As of July 31, 2022	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	5,000,000
Long-term loans payable	15,100,000	19,000,000	20,650,000	20,250,000	19,400,000	90,183,000
Total	20,100,000	21,000,000	20,650,000	20,250,000	22,400,000	95,183,000

Note 9 — Derivative instruments

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

As of January 31, 2022

(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	(57,971)	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	24,900,000	Note (i)	-

As of July 31, 2022

(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	3,300,000	800,000	(31,423)	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	26,100,000	19,400,000	Note (i)	-

Note:

- (i) As disclosed in "(7) Summary of significant accounting policies (i) 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 8 - 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 10 — Income taxes

Deferred tax assets consist of the following:

(Thousands of yen)

	As of	
	January 31, 2022	July 31, 2022
Deferred tax assets:		
Enterprise tax payable	15	31
Asset retirement obligations	278,773	277,587
Depreciation	197,038	49,700
Deferred losses on hedges	18,237	9,885
Subtotal	494,064	337,205
Valuation allowance	(494,064)	(337,205)
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, 2022	July 31, 2022
Statutory tax rates	31.46%	31.46%
Deductible cash distributions	(34.43)	(29.40)
Other	2.99	(2.04)
Effective tax rates	0.02%	0.02%

Note 11 — Related-party transactions

There were no related-party transactions to be disclosed for the fiscal period ended January 31, 2022 and July 31, 2022.

Note 12 — Asset retirement obligations**(a) Asset retirement obligations recognized as liabilities in the balance sheets***(i) Outline of asset retirement obligations*

The Investment Corporation has obligations to remove asbestos contained in certain buildings.

(ii) Calculation of asset retirement obligations

The estimated periods of use of the properties are estimated from 9 months to 53 years based on the useful life of each building and the asset retirement obligations are recognized using discount rates from 0.312% to 0.996%.

(iii) Movements of asset retirement obligations

	(Thousands of yen)	
	For the six months ended	
	January 31, 2022	July 31, 2022
Balance at the beginning of the period	639,055	886,119
Increase due to acquisition of properties	158,536	-
Increase (decrease) due to change in estimates	-	(6,024)
Adjustment for passage of time	1,708	2,255
Other increase (decrease), net	86,818	-
Balance at the end of the period	886,119	882,349

(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 13 — Fair value of investment and rental property

The Investment Corporation has mainly logistics facilities, manufacturing and R&D facilities, etc. or 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, 2022 and July 31, 2022.

	(Thousands of yen)	
	For the six months ended	
	January 31, 2022	July 31, 2022
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	358,718,774	369,627,797
Net increase (decrease) during the period ⁽ⁱⁱ⁾	10,909,022	3,187,787
Balance at the end of the period	369,627,797	372,815,584
Fair value⁽ⁱⁱⁱ⁾	454,257,000	464,492,000

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 bookvalue (Thousands of yen)
For the six months ended January 31, 2022:	
Acquisitions:	
IIF Shonan Health Innovation Park (40% quasi-co-ownership).....	15,733,644
IIF Yokkaichi Logistics Center (Existing Building).....	3,596,527
IIF Atsugi Manufacturing Center (Expansion).....	306,557
Disposition:	
IIF Shinagawa IT Solution Center.....	(7,838,629)
For the six months ended July 31, 2022:	
Acquisitions:	
IIF Iruma Manufacturing Center (Land with leasehold interest).....	2,597,511
IIF Tochigi Moka Manufacturing Center (Land with leasehold interest).....	1,182,377
Disposition:	
IIF Inzai Logistics Center.....	(995,482)

(iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers. For IIF Osaka Nanko IT Solution Center signed disposition contract on July 8, 2022, the selling price is used for the six months ended July 31, 2022.

For rent revenues and expenses for the six months ended January 31, 2022 and July 31, 2022, please refer to "Note 4— Rent revenue— real estate and expenses related to property rental business".

Note 14 — Revenue recognition**(a) Information on the breakdown of revenue from contracts with customers****For the six months ended January 31, 2022:**

(Thousands of yen)

	Revenue from contracts with customers (Note (i))	Sales to external customers (Note (ii))
Sales of property	8,200,000	285,967
Common area charges	216,832	216,832
Others	29,379	15,990,763
Total	8,446,211	16,493,563

For the six months ended July 31, 2022:

(Thousands of yen)

	Revenue from contracts with customers (Note (i))	Sales to external customers (Note (ii))
Sales of property	1,925,000	858,612
Common area charges	236,047	236,047
Others	42,377	16,099,471
Total	2,203,425	17,194,132

Note:

- (i) Rent revenues subject to the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No.13) are excluded from "Revenue from contracts with customers" as such revenues are not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from sales of property and common area charges.
- (ii) Sales of property are recorded as gain (loss) on sales of property in the statements of Income and retained earnings pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the sales to external customers shows the amount obtained by deducting cost of sales of property and other sales expenses proceeds from sales of property.

(b) Information utilized as the base for understanding revenue from contracts with customers

The information is as disclosed in "(7) Summary of significant accounting policies (g) Revenue recognition".

(c) Information to understand amounts of revenues for the current fiscal period and future fiscal periods**(1) Balance of contract assets and contract liabilities, etc.**

(Thousands of yen)

	For the six months ended January 31, 2022	For the six months ended July 31, 2022
Receivables generated from contracts with customers (balance at beginning of fiscal period)	72,702	52,468
Receivables generated from contracts with customers (balance at end of fiscal period)	52,468	61,711
Contract assets (balance at beginning of fiscal period)	-	-
Contract assets (balance at end of fiscal period)	-	-
Contract liabilities (balance at beginning of fiscal period)	-	-
Contract liabilities (balance at end of fiscal period)	-	270,000

(2) Transaction value allocated to remaining performance obligations

As of July 31, 2022, transaction value allocated to remaining performance obligations regarding sales of property was ¥2,700,000 thousand related to a property signed disposition contract on July 8, 2022. Revenue from the remaining performance obligation will be recognized when the delivery of the property scheduled on August 17, 2022 is completed.

With regard to common area charges, as the Investment Corporation has the right to receive from customers an amount directly corresponding to the value for the lessees, who are customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

Note 15 — Segment information

Segment information for the fiscal period ended January 31, 2022 and July 31, 2022 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

The revenues from Takeda Pharmaceutical Company Limited, which are more than 10% of total operating revenues for the six months ended January 31, 2022 and July 31, 2022, 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, 2022 and July 31, 2022 and net income per unit for the six months then ended.

	For the six months ended	
	January 31, 2022	July 31, 2022
Net asset value per unit	91,387	91,476
Net income per unit	2,795	3,136

(Yen)

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:

	For the six months ended	
	January 31, 2022	July 31, 2022
Net income	5,786,926	6,492,911
Effect of dilutive unit	-	-
Net income available to common unitholders	5,786,926	6,492,911
Adjusted weighted-average number of units outstanding for the period	2,070,016 units	2,070,016 units

(Thousands of yen)

Note 17 — Subsequent events**Disposition of property**

On August 17, 2022, the Investment Corporation has disposed a property as follows:

<i>Property name:</i>	IIF Osaka Nanko IT Solution Center (trust beneficial interest)
<i>Disposition amount:</i>	¥ 2,700 million
<i>Completion date of contract:</i>	July 8, 2022
<i>Disposition date:</i>	August 17, 2022
<i>Name of purchaser:</i>	Not disclosed ⁽ⁱ⁾

Note (i): Although a purchaser of the property is a special purpose entity arranged by an overseas company, information on the counter party is not disclosed because the consent from the purchaser has not been obtained.

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, 2022 and July 31, 2022 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, 2022	Buildings in trust	Excess of depreciation allowance	546,484	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(30,817)	(ii)
July 31, 2022	Buildings in trust	Excess of depreciation allowance	203,471	(i)
	Buildings in trust	Reversal of excess of depreciation allowance	(626,314)	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(26,547)	(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 1, 2018	Unit Split	1,191,492	1,588,656	-	112,651	Note 2
March 7, 2018	Public offering	109,275	1,697,931	12,623	125,274	Note 3
April 4, 2018	Allocation of investment units to a third party	885	1,698,816	102	125,376	Note 4
May 29, 2019	Public offering	90,700	1,789,516	10,973	136,349	Note 5
June 25, 2019	Allocation of investment units to a third party	4,500	1,794,016	544	136,894	Note 6
October 15, 2019	Distributions in excess of profit (unitcapital refunds)	-	1,794,016	(69)	136,824	Note 7
December 18, 2019	Public offering	83,900	1,877,916	13,014	149,839	Note 8
January 15, 2020	Allocation of investment units to a third party	2,100	1,880,016	325	150,165	Note 9
April 17, 2020	Distributions in excess of profit (unitcapital refunds)	-	1,880,016	(223)	149,941	Note 10
August 11, 2020	Public offering	181,000	2,061,016	32,037	181,978	Note 11
September 8, 2020	Allocation of investment units to a third party	9,000	2,070,016	1,593	183,571	Note 12

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

Note 2 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 3 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 4 New investment units were issued at a price of ¥115,517 per unit through the allocation of investment units to a third-party.

Note 5 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 6 New investment units were issued at a price of ¥120,986 per unit through the allocation of investment units to a third-party.

Note 7 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 8 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 9 New investment units were issued at a price of ¥155,123 per unit through the allocation of investment units to a third-party.

Note 10 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 11 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 12 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 (Note1)	Region	As of January 31, 2022		As of July 31, 2022	
				Total of net book value	Composition ratio	Total of net book value	Composition ratio
				(Millions of yen) (Note2)	(%) (Note3)	(Millions of yen) (Note2)	(%) (Note3)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,759	3.1	12,835	3.1
			Osaka and Nagoya metropolitan areas	4,844	1.2	4,817	1.2
			Other area	1,913	0.5	3,091	0.7
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	43,371	10.5	43,056	10.3
			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	188,190	45.5	190,399	45.6
			Osaka and Nagoya metropolitan areas	56,312	13.6	56,732	13.6
			Other area	32,347	7.8	32,187	7.7
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	5,862	1.4	5,819	1.4
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	22,025	5.3	21,876	5.2
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Sub-total				369,627	89.4	372,815	89.3
Investments in Tokumei Kumiai agreement (Note 4)				89	0.0	83	0.0
Bank deposits and other assets				43,702	10.6	44,531	10.7
Total assets				413,419	100.0	417,430	100.0
Total liabilities				224,246	54.2	228,071	54.6
Total net assets				189,173	45.8	189,358	45.4

Note 1 "Location category" is classified as bellow.

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

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

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

Note 2 Total of net book value is carrying amounts on the balance sheets (amounts of real property and trust beneficial interest in real property are book values net of depreciation) at the end of the fiscal period.

Note 3 Figures less than unit indicated in each column have been rounded down for amounts and rounded for ratio unless otherwise indicated. Therefore, the figures shown in the total columns do not necessarily agree with the sums of the individual figures. The same applies hereinafter.

Note 4 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, 2022 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 (%)	Ratio of rent revenue to total rent revenues (%)	Major use
IIF Shonan Health Innovation Park (Note 3)	39,896	130,342.61	130,342.61	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Haneda Airport Maintenance Center	36,935	81,995.81	81,995.81	100.0	9.2	Infrastructure facility
IIF Ichihara Manufacturing Center (Land with leasehold interest)	16,605	637,802.64	637,802.64	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Kobe District Heating and Cooling Center	15,308	11,476.05	11,476.05	100.0	2.0	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	12,998	27,493.29	27,493.29	100.0	2.5	Logistics facility
IIF Atsugi Manufacturing Center (Note 5)	12,066	97,153.03	97,153.03	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Osaka Suminoe Logistics Center I	11,857	52,201.30	52,201.30	100.0	Note 6	Logistics facility
IIF Fukuoka Hakozaki Logistics Center II	10,024	51,530.51	51,530.51	100.0	Note 6	Logistics facility
IIF Mitaka Card Center	9,352	21,615.01	21,615.01	100.0	2.2	Manufacturing and R&D facility, etc.
IIF Osaka Konohana Logistics Center	8,616	46,262.20	46,262.20	100.0	Note 6	Logistics facility
Total	173,663	1,157,872.45	1,157,872.45	100.0	56.4	

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 "Leasable area" and "Leased area" of IIF Shonan Health Innovation Park are calculated by rounded down to the second decimal place. The same applies hereinafter.

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area and leased area of the property show 53% of the total leasable area or leased area as the share of quasi-co-ownership and are calculated by rounding to the nearest second decimal place.

Note 5 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 (32,825.49m²).

Note 6 "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, 2022 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	18,709	12,998
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	9,650	5,223
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	8,090	5,107
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	3,330	1,680
IIF Nishinomiya Logistics Center	2, Nishinomiya 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,130	1,925
IIF Narashino Logistics Center (Land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	3,570	1,223
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,905.16	6,870	4,678
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,230	3,087
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,615.82	3,640	2,273
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,540	1,387
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,550	1,164
IIF Atsugi Logistics Center III (Note 6)	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	-	4,790	2,684
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	5,230	2,113
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	37,052.41	8,520	5,754
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,528.42	4,370	2,444
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	3,410	1,838
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	6,370	3,335
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,450	2,931
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kuranoue-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	2,370	1,459
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,490	544
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	4,800	3,188
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	8-1, Nagisa-cho, Izumiotsu-shi, Osaka	Trust beneficial interest	48,932.00	4,340	4,177
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-kita, Izumisano-shi, Osaka	Real property	13,947.83	1,110	953
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	8,240	5,511
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	1,050	914
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,230	1,888
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	10,300	8,616
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	2,940	2,553
IIF Hamura Logistics Center (Note 7)	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	-	804	739

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 Fukuoka Hakozaki Logistics Center I	14-31, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	24,967.58	5,630	5,154
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,530.51	11,800	10,024
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	2,210	1,710
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,860	1,540
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,210	995
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	15,900	11,857
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	2,990	2,533
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,500	1,389
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,710	2,480
IIF Koriyama Logistics Center	213, Aza Mukaihara, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,350	2,425
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	2,430	2,059
IIF Hyogo Tatsuno Logistics Center	300-2, Tai-san, Nagao, Issaicho, Tatsuno-shi, Hyogo, etc.	Trust beneficial interest	25,186.78	4,470	4,069
IIF Akishima Logistics Center	3928-4, Kohake, Haijimacho, Akishima-shi, Tokyo	Trust beneficial interest	31,071.21	8,580	8,455
IIF Gifu Kakamigahara Logistics Center	2-8, Aza Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Trust beneficial interest	16,708.51	3,170	2,396
IIF Hiroshima Selfushinto Logistics Center	3-1, Tomominami 2-chome, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	28,988.91	6,750	6,337
IIF Shonan Logistics Center	9-2, Ichinomiya 7-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	23,728.15	8,780	7,573
IIF Yokkaichi Logistics Center (Existing Building)	1340-8, Azayamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, etc.	Trust beneficial interest	43,430.49	3,973	3,726
IIF Totsuka Technology Center (Land with leasehold interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	5,360	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,360	1,352
IIF Mitaka Card Center	5-14, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	9,830	9,352
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,380	7,455
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	3,000	1,873
IIF Sagamihara R&D Center	1-35, Minamihashimoto 3-chome, Chuoku, Sagamihara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,730	3,570
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,200	3,742
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	1,690	1,345
IIF Yokosuka Technology Center	1-15, Shinmei-cho, Yokosuka-shi, Kanagawa	Trust beneficial interest	13,779.77	4,510	4,365
IIF Shonan Technology Center	1-1, Ichinomiya 6-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	7,244.71	1,380	1,326
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	2,610	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 8)	832-1, Aza Momijiyama, Shimofurusawa, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	97,153.03	16,300	12,066
IIF Shin-Kawasaki R&D Center	1-2, Shinogura, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	11,865.54	8,720	6,405
IIF Ichikawa Food Processing Center	1-1-2, Higashihama 1-chome, Ichikawa-shi, Chiba, etc.	Trust beneficial interest	27,424.22	6,610	6,346
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	6,369
IIF Okazaki Manufacturing Center (Land with leasehold interest)	34-6, Aza Okasaku, Makihiro-cho, Okazaki-shi, Aichi, etc.	Trust beneficial interest	42,049.87	4,330	4,104
IIF Shonan Health Innovation Park	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa	Trust beneficial interest	130,342.61	45,400	39,896
IIF Ichihara Manufacturing Center (Land with leasehold interest)	1-1, Yawatakaigandori, Ichihara-shi, Chiba, etc.	Trust beneficial interest	637,802.64	18,600	16,605
IIF Iruma Manufacturing Center (Land with leasehold interest)	178-1, Oaza Shinko, Iruma-shi, Saitama, etc.	Trust beneficial interest	34,384.62	2,920	2,597
IIF Tochigi Moka Manufacturing Center (Land with leasehold interest)	8-1, Matsuyama-cho, Moka-shi, Tochigi	Real property	92,826.16	1,340	1,182
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuoku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	14,600	15,308
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,400	36,935
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	7,250	5,391
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,440	5,421
IIF Osaka Nanko IT Solution Center (Note 9)	1-23, Nanko-kita 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	18,429.14	2,420	1,146
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 Higashimatsuyama Gas Tank Maintenance Center (Land with leasehold interest)	75-1, Shingo, Higashimatsuyama-shi, Saitama	Real property	12,880.38	785	729
Total			2,578,861.08	464,212	372,815

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 The Investment Corporation has started a redevelopment project of IIF Atsugi Logistics Center III and plans to build a new building after demolish work of the existing building.

Note 7 The Investment Corporation has started a redevelopment project of IIF Hamura Logistics Center and plans to build a new building after demolish work of the existing building.

Note 8 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 (32,825.49m²).

Note 9 The property was sold on August 17, 2022.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of July 31, 2022 were as follows:

Name of property	For the six months ended January 31, 2022					For the six months ended July 31, 2022				
	Number of tenants (Note 1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 2)	Composition ratio of NOI (%)	Number of tenants (Note 1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 2)	Composition ratio of NOI (%)
IIF Shinonome Logistics Center	1	100.0	400	367	3.5	1	100.0	400	365	3.6
IIF Noda Logistics Center	2	100.0	(Note 3)	214	2.1	2	100.0	(Note 3)	214	2.1
IIF Shinsuna Logistics Center	1	100.0	179	158	1.5	1	100.0	179	159	1.6
IIF Koshigaya Logistics Center	1	100.0	83	76	0.7	1	100.0	83	73	0.7
IIF Nishinomiya Logistics Center	2	100.0	(Note 3)	79	0.8	2	100.0	(Note 3)	82	0.8
IIF Narashino Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	37	0.4	1	100.0	(Note 3)	37	0.4
IIF Narashino Logistics Center II (Note 4)	2	100.0	(Note 3)	173	1.7	2	100.0	(Note 3)	172	1.7
IIF Atsugi Logistics Center II	1	100.0	(Note 3)	112	1.1	1	100.0	(Note 3)	112	1.1
IIF Yokohama Tsuzuki Logistics Center	1	100.0	(Note 3)	81	0.8	1	100.0	(Note 3)	79	0.8
IIF Saitama Logistics Center	1	100.0	66	61	0.6	1	100.0	66	61	0.6
IIF Nagoya Logistics Center	1	100.0	(Note 3)	41	0.4	1	100.0	(Note 3)	45	0.4
IIF Atsugi Logistics Center III (Note 5)	1	100.0	(Note 3)	81	0.8	-	-	-	(252)	(2.5)
IIF Kawaguchi Logistics Center	1	100.0	(Note 3)	104	1.0	1	100.0	(Note 3)	105	1.0
IIF Kobe Logistics Center	1	100.0	(Note 3)	(41)	(0.4)	0	0.0	(Note 3)	(47)	(0.5)
IIF Higashi-Osaka Logistics Center	2	97.3	(Note 3)	88	0.8	3	98.7	(Note 3)	88	0.9
IIF Kashiwa Logistics Center	1	100.0	(Note 3)	78	0.8	1	100.0	(Note 3)	81	0.8
IIF Misato Logistics Center	1	100.0	(Note 3)	116	1.1	1	100.0	(Note 3)	116	1.1
IIF Iruma Logistics Center	1	100.0	(Note 3)	106	1.0	1	100.0	(Note 3)	106	1.0
IIF Tosu Logistics Center	2	100.0	(Note 3)	52	0.5	2	100.0	(Note 3)	52	0.5
IIF Inzai Logistics Center (Note 6)	1	100.0	(Note 3)	36	0.3	-	-	(Note 3)	34	0.3
IIF Morioka Logistics Center	1	100.0	(Note 3)	38	0.4	1	100.0	(Note 3)	37	0.4
IIF Hiroshima Logistics Center	1	100.0	(Note 3)	121	1.2	1	100.0	(Note 3)	121	1.2
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	111	1.1	1	100.0	(Note 3)	111	1.1
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 3)	29	0.3	1	100.0	(Note 3)	28	0.3
IIF Kyotanabe Logistics Center	1	100.0	(Note 3)	175	1.7	1	100.0	(Note 3)	174	1.7
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	27	0.3	1	100.0	(Note 3)	27	0.3
IIF Fukuoka Higashi Logistics Center	1	100.0	(Note 3)	51	0.5	1	100.0	(Note 3)	51	0.5
IIF Osaka Konohana Logistics Center	1	100.0	(Note 3)	217	2.1	1	100.0	(Note 3)	217	2.1
IIF Kazo Logistics Center	1	100.0	(Note 3)	67	0.7	1	100.0	(Note 3)	67	0.7

Name of property	For the six months ended January 31, 2022					For the six months ended July 31, 2022				
	Number of tenants (Note 1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 2)	Composition ratio of NOI (%)	Number of tenants (Note 1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note 2)	Composition ratio of NOI (%)
IIF Hamura Logistics Center (Note 7)	1	100.0	(Note 3)	22	0.2	-	-	(Note 3)	14	0.1
IIF Fukuoka Hakozaki Logistics Center I	3	100.0	(Note 3)	124	1.2	3	100.0	(Note 3)	126	1.2
IIF Fukuoka Hakozaki Logistics Center II	4	100.0	(Note 3)	266	2.6	4	100.0	(Note 3)	276	2.7
IIF Itabashi Logistics Center	1	100.0	(Note 3)	38	0.4	1	100.0	(Note 3)	38	0.4
IIF Sendai Taiwa Logistics Center	1	100.0	(Note 3)	47	0.5	1	100.0	(Note 3)	47	0.5
IIF Ota Logistics Center	1	100.0	(Note 3)	33	0.3	1	100.0	(Note 3)	33	0.3
IIF Osaka Suminoe Logistics Center I	1	100.0	(Note 3)	256	2.5	1	100.0	(Note 3)	256	2.5
IIF Osaka Suminoe Logistics Center II	1	100.0	(Note 3)	58	0.6	1	100.0	(Note 3)	60	0.6
IIF Morioka Logistics Center II	1	100.0	(Note 3)	36	0.3	1	100.0	(Note 3)	36	0.4
IIF Sapporo Logistics Center	1	100.0	(Note 3)	63	0.6	1	100.0	(Note 3)	66	0.7
IIF Koriyama Logistics Center	2	100.0	(Note 3)	96	0.9	2	100.0	(Note 3)	96	0.9
IIF Kobe Nishi Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	40	0.4	1	100.0	(Note 3)	40	0.4
IIF Hyogo Tatsuno Logistics Center	1	100.0	(Note 3)	110	1.1	1	100.0	(Note 3)	110	1.1
IIF Akishima Logistics Center	1	100.0	(Note 3)	173	1.7	1	100.0	(Note 3)	175	1.7
IIF Gifu Kakamigahara Logistics Center	1	100.0	(Note 3)	72	0.7	1	100.0	(Note 3)	72	0.7
IIF Hiroshima Seifushinto Logistics Center	1	100.0	(Note 3)	159	1.5	1	100.0	(Note 3)	159	1.6
IIF Shonan Logistics Center	1	100.0	(Note 3)	183	1.8	1	100.0	(Note 3)	182	1.8
IIF Yokkaichi Logistics Center (Existing Building)	3	100.0	(Note 3)	28	0.3	3	100.0	(Note 3)	102	1.0
IIF Totsuka Technology Center (Land with leasehold interest)	1	100.0	153	137	1.3	1	100.0	153	137	1.3
IIF Yokohama Tsuzuki Technology Center	1	100.0	59	42	0.4	1	100.0	59	23	0.2
IIF Mitaka Card Center	1	100.0	365	311	3.0	1	100.0	366	311	3.0
IIF Kamata R&D Center	1	100.0	(Note 3)	238	2.3	1	100.0	(Note 3)	234	2.3
IIF Kawasaki Science Center	1	100.0	(Note 3)	81	0.8	1	100.0	(Note 3)	81	0.8
IIF Sagamiara R&D Center	2	100.0	(Note 3)	159	1.5	2	100.0	(Note 3)	153	1.5
IIF Yokohama Shinyamashita R&D Center	1	100.0	(Note 3)	104	1.0	1	100.0	(Note 3)	104	1.0
IIF Kakegawa Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	42	0.4	1	100.0	(Note 3)	42	0.4
IIF Urayasu Machinery Maintenance Center (Land with leasehold interest)	1	100.0	(Note 3)	37	0.4	1	100.0	(Note 3)	36	0.4
IIF Yokosuka Technology Center	1	100.0	(Note 3)	137	1.3	1	100.0	(Note 3)	142	1.4
IIF Shonan Technology Center	1	100.0	(Note 3)	39	0.4	1	100.0	(Note 3)	39	0.4
IIF Totsuka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	57	0.6	1	100.0	(Note 3)	57	0.6

Name of property	For the six months ended January 31, 2022					For the six months ended July 31, 2022				
	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)	(%)	(Millions of yen)	(Millions of yen)	(%)	(Note 1)	(%)	(Millions of yen)	(Millions of yen)	(%)
IIF Atsugi Manufacturing Center (Note 8)	2	100.0	(Note 3)	328	3.1	2	100.0	(Note 3)	345	3.4
IIF Shin-Kawasaki R&D Center	1	100.0	(Note 3)	234	2.2	1	100.0	(Note 3)	234	2.3
IIF Ichikawa Food Processing Center	2	100.0	(Note 3)	140	1.3	2	100.0	(Note 3)	139	1.4
IIF Gifu Kakamigahara Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	5	0.1	1	100.0	(Note 3)	5	0.1
IIF Yokohama Tsuzuki R&D Center	1	100.0	(Note 3)	173	1.7	1	100.0	(Note 3)	173	1.7
IIF Okazaki Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	95	0.9	1	100.0	(Note 3)	95	0.9
IIF Shonan Health Innovation Park	8	100.0	(Note 3)	1,103	10.6	8	100.0	(Note 3)	1,044	10.2
IIF Ichihara Manufacturing Center (Land with leasehold interest)	2	100.0	(Note 3)	455	4.4	2	100.0	(Note 3)	450	4.4
IIF Iruma Manufacturing Center (Land with leasehold interest) (Note 9)	-	-	-	-	-	1	100.0	(Note 3)	48	0.5
IIF Tochigi Moka Manufacturing Center (Land with leasehold interest) (Note 10)	-	-	-	-	-	1	100.0	(Note 3)	25	0.2
IIF Kobe District Heating and Cooling Center	4	100.0	332	309	3.0	4	100.0	332	313	3.1
IIF Haneda Airport Maintenance Center	1	100.0	1,492	982	9.4	1	100.0	1,500	982	9.6
IIF Shinagawa Data Center	1	100.0	(Note 3)	180	1.7	1	100.0	(Note 3)	188	1.8
IIF Osaka Toyonaka Data Center	1	100.0	(Note 3)	212	2.0	1	100.0	(Note 3)	206	2.0
IIF Osaka Nanko IT Solution Center (Note 11)	1	100.0	(Note 3)	75	0.7	1	100.0	(Note 3)	76	0.7
IIF Nagoya Port Tank Terminal (Land with leasehold interest)	1	100.0	(Note 3)	62	0.6	1	100.0	(Note 3)	62	0.6
IIF Shinagawa IT Solution Center	-	-	(Note 3)	(15)	(0.2)	-	-	-	-	-
IIF Higashimatsuyama Gas Tank Maintenance Center (Land with leasehold interest)	1	100.0	(Note 3)	17	0.2	1	100.0	(Note 3)	18	0.2
Total	101	100.0	16,206	10,433	100.0	100	98.6	16,334	10,201	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 "Rental net operating income (NOI)" is calculated by following formula.
(Rental revenues – Rental expenses) + Depreciation

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

Note 4 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 5 The Investment Corporation has started a redevelopment project of IIF Atsugi Logistics Center III and plans to build a new building after demolish work of the existing building.

Note 6 The property was sold on July 27, 2022

Note 7 The Investment Corporation has started a redevelopment project of IIF Hamura Logistics Center and plans to build a new building after demolish work of the existing building.

Note 8 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 9 The property was acquired on April 1, 2022

Note 10 The property was acquired on April 1, 2022

Note 11 The property was sold on August 17, 2022

(3) Capital expenditures for property

1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of July 31, 2022 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, 2022	Total of advanced payment
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (1st period / 2 periods)	October, 2023 to January, 2024	255	-	-
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (2nd period / 2 periods)	October, 2023 to March, 2024	255	0	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	A42W area conversion construction for B building	March, 2023 to December, 2023	221	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of lighting equipment at A2, B2 and C2 building	September, 2023 to February, 2024	220	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A building for B building (A33E area)	February, 2022 to August, 2022	207	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of central monitoring equipment	June, 2021 to July, 2023	195	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of industrial monitoring controller of A building	November, 2021 to August, 2023	167	-	0
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Repair of outer wall	September, 2023 to January, 2024	126	0	-
IIF Noda Logistics Center	Noda-shi, Chiba	Construction of disaster prevention area	September, 2022 to December, 2022	114	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Construction A of A41EW area (at the lessor's expense)	January, 2023 to July, 2023	95	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	April, 2023 to February, 2024	90	-	-
IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No. 3 and 4)	June, 2023 to January, 2024	77	-	-
IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No. 1 and 2)	September, 2023 to May, 2024	75	-	-
IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Waterproofing construction of rooftop parking and tower (1st period / 2 periods)	July, 2023 to January, 2024	75	-	-
IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Waterproofing construction of rooftop parking and tower (2nd period / 2 periods)	July, 2023 to June, 2024	75	-	-
IIF Osaka Konohana Logistics Center	Osaka-shi, Osaka	Renewal of cargo elevator (No. 4, 5 and 6)	March, 2022 to January, 2023	73	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of air conditioner equipment at B building	June, 2022 to February, 2023	73	-	-
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Repair of roof	February, 2023 to July, 2023	70	-	-
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of high voltage cable (1st period / 3 periods)	July, 2023 to December, 2023	65	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of central monitoring equipment	May, 2022 to December, 2022	65	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of access point equipment at A building	November, 2023 to July, 2024	60	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room	May, 2022 to September, 2022	57	-	-
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of VCB for power generation equipment (No. 1)	May, 2023 to June, 2023	54	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room for tenant at A building	August, 2022 to October, 2022	54	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of storage battery charger	November, 2022 to August, 2023	54	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of lighting control board at BC-building	September, 2022 to May, 2023	50	-	-

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended January 0, 1900	Total of advanced payment
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Renewal of cargo elevator (No. 3 and 4)	August, 2022 to January, 2023	50	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room	August, 2023 to January, 2024	50	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room	November, 2023 to April, 2024	50	-	-

2. Capital expenditures for the six months ended July 31, 2022

Maintenance expenditures on property for the six months ended July 31, 2022 were totaling to ¥2,625 million consisting of ¥1,632 million of capital expenditures stated as below and ¥993 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 Kobe Logistics Center	Kobe-shi, Hyogo	Larger renovation (Installation of compartment walls, expansion of ELV and vertical conveyors, etc.)	April, 2021 to July, 2022	605
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A1, B1 and C1 buildings	December, 2021 to July, 2022	120
IIF Noda Logistics Center	Noda-shi, Chiba	Rezoning construction of disaster prevention area	January, 2022 to March, 2022	119
IIF Yokohama Tsuzuki Technology Center	Yokohama-shi, Kanagawa	Renewal of air conditioning system	October, 2021 to May, 2022	86
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of central monitoring equipment	July, 2021 to February, 2022	86
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A1, B1 and C1 buildings (Lightning control area)	July, 2022	59
IIF Shinonome Logistics Center	Koto-ku, Tokyo	Repair of rooftop, outer wall and green space (3rd period / 4 periods)	March, 2022	55
Other	-	-	-	499
Total				1,632