

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JULY 31, 2023

September 13, 2023

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
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 26, 2023
Scheduled date for distributions payment:	October 19, 2023
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, 2023 (February 1, 2023 to July 31, 2023)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended July 31, 2023	17,848	-0.5	8,354	20.4	7,419	24.9	7,419	24.9
January 31, 2023	17,944	4.4	6,939	-7.0	5,942	-8.5	5,940	-8.5

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income
	Yen	%	%	%
For the six months ended July 31, 2023	3,530	3.9	1.7	41.6
January 31, 2023	2,870	3.1	1.4	33.1

(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
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen	%	%
For the six months ended July 31, 2023	3,282	3,282	-	6,936	6,936	-	93.5	3.6
January 31, 2023	3,122	2,870	252	6,462	5,940	521	100.0	3.1

Note 1: All of distribution per unit in excess of profit for the six months ended January 31, 2023 amounting to ¥252 consist of allowance for temporary difference adjustment.

Note 2: Payout ratio for the six months ended July 31, 2023 is calculated by following formula, as new investment units were issued during the period.

$$\text{Payout ratio} = \frac{\text{Total distributions (excluding distributions in excess of profit)}}{\text{Net income}} \times 100$$

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2023	433,409	195,690	45.2	92,590
January 31, 2023	422,345	188,905	44.7	91,257

(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, 2023	10,076	(14,035)	3,304	41,368
January 31, 2023	9,344	(7,830)	(952)	42,024

2. Outlook for the six months ending January 31, 2024 (August 1, 2023 to January 31, 2024) and July 31, 2024 (February 1, 2024 to July 31, 2024)

(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, 2024	18,405	3.1	8,011	-4.1	7,070	-4.7	7,068	-4.7
July 31, 2024	18,075	-1.8	7,714	-3.7	6,777	-4.1	6,775	-4.1

	Net income per unit	Distribution per unit (including distributions in excess of profit)	Distributions per unit (excluding distributions in excess of profit)	Distributions in excess of profit per unit
For the six months ending	Yen	Yen	Yen	Yen
January 31, 2024	3,344	3,260	3,260	-
July 31, 2024	3,206	3,225	3,206	19

✖ 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: None

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, 2023 2,113,516 units

As of January 31, 2023 2,070,016 units

Number of own investment units at the end of period:

As of July 31, 2023 0 units

As of January 31, 2023 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 28.

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 5.

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 78 properties whose total acquisition price amounted to 389,393 million yen as of July 31, 2023.

ii. Investment environment and management performance

In the fiscal period (February 2023 to August 2023), the Japanese economy further moved toward normalization of economic activities with recovery mainly in consumer spending due to the change in the classification of COVID-19 infection to "category 5 infectious disease" in May 2023.

The real estate trading market continues to face a challenging acquisition environment, as both domestic and overseas investors remain highly motivated to invest in real estate under a favorable financing environment, in light of the indication that the Bank of Japan will continue its monetary easing policy as before even after the change of the Governor of the Bank of Japan in April 2023.

Meanwhile, following the Monetary Policy Meeting held on July 27 and 28, 2023, the Bank of Japan decided to make the operation of its long- and short-term interest rate operations (yield curve control) more flexible. Although the content of this decision is minor, the decision can be viewed as a modification of the monetary easing policy in the future, and it is necessary to closely monitor the impact of changes in the financing environment in terms of rising interest rates and the increase in the financing costs of IIF.

In addition, the impact of soaring resource prices in response to the situation in Ukraine and other factors that could hinder the recovery of consumer spending and corporate earnings will need to be closely monitored, along with fluctuations in capital markets.

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 announced the acquisition of five properties through a public offering, acquired three properties, IIF Shiga Ryuoh Logistics Center, IIF Omihachiman Logistics Center and IIF Hanno Manufacturing Center (land with leasehold interest) on March 23, 2023, IIF Ota Manufacturing Center on May 15, 2023, and plans to acquire IIF Atsugi Logistics Center III (redevelopment) on December 25, 2023. Furthermore, IIF disposed of 3% and 32% of its co-ownership interest in IIF Kobe Logistics Center on April 7, 2023 and July 31, 2023, respectively, and realized a gain on sales of real estate in the amount of 861 million yen.

As a result, assets held by IIF as of July 31, 2023 totaled 389,393 million yen, including 78 properties (48 logistics facilities, 24 manufacturing and R&D facilities, and 6 infrastructure facilities). As of July 31, 2023, the average occupancy rate was 99.3% 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) Equity Financing

IIF announced a public offering in March 2023 and raised 5,818 million yen by issuing 43,500 new investment units to raise funds for the acquisition of new properties. As a result, the total number of investment units issued and outstanding as of the end of the period was 2,113,516 units.

b) Debt Financing

As for funding of interest-bearing debt for this fiscal period, IIF newly borrowed 4,000 million yen of long-term and short-term borrowings (average maturity period: 2.8 years) on May 15, 2023 to allocate the proceeds to acquire a new property.

In addition, IIF borrowed 6,000 million yen of long-term borrowings (average maturity period: 3.2 years) on February 6, 2023, 1,700 million yen of long-term borrowing (maturity period: 8 years) on March 31, 2023, 800 million yen of long-term borrowing (maturity period: 9 years) on April 28, 2023, 3,300 million yen of long-term borrowings (average maturity period: 6 years) on June 30, 2023 at fixed interest rate respectively and repaid the same amount of long-term debt and short-term debt that was due for repayment. 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, 2023 is 212,283 million yen, which is comprised of 192,583 million yen in long-term borrowings (including long-term borrowings to be repaid within one year), 5,000 million yen in short-term borrowings and 14,700 million yen in investment corporation bonds (including long-term bonds to be redeemed within one year).

iv. Overview of financial results and distributions

As a result of the above management activities, IIF recorded operating revenue of 17,848 million yen, operating income of 8,534 million yen, ordinary income of 7,419 million yen, and net income of 7,419 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 6,936,559,512 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, resulting in a profit distribution per unit of 3,282 yen.

In addition, in accordance with the distribution policy stipulated in the Articles of Incorporation, IIF intends to make distributions in excess of earnings (hereinafter referred to as "surplus cash distribution") on an ongoing basis in every fiscal period in principle ^(Note 1) ^(Note 2). 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 intending to stabilize the amount of distribution per unit (hereinafter

referred to as "optimal payable distribution"). For the fiscal period ending July 31, 2023, IIF decided not to make a surplus cash distribution and optimal payable distribution in light of the level of distributions resulting from the gain on the sale of IIF Kobe Logistics Center, which was disposed on April 7, 2023 and July 31, 2023. As a result of the above, distribution per unit for the period stood at 3,282 yen, including distribution in excess of earnings.

(Note1) Policy regarding Surplus Cash Distribution

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. However, in some cases, cash distributions in excess of profit may not be made in whole or in part, taking into comprehensive consideration of the amount of capital expenditure necessary to maintain or enhance the competitiveness of its assets, the level of net income for the relevant operating period and profits including gains on sales of real estate and one-time gains such as cancellation penalties, the level of cash distributions for the relevant operating period including cash distributions in excess of profit, the financial condition of IIF as well as the economic environment, trends in the real estate market, the leasing market, etc.

(Note2) Policy regarding Surplus Cash Distribution and regarding Optimal Payable Distribution

The level of distribution in excess of profits, including surplus cash distribution and optimal payable distribution, shall be up to the amount equivalent to 60% of the amount obtained by subtracting the total amount of accumulated depreciation recorded on the last day of the business period immediately preceding the corresponding business period from the total amount of accumulated depreciation recorded on the last day of the corresponding business period, excluding distributions corresponding to the increase in the allowance for temporary differences corresponding to the occurrence of deferred hedge losses and other tax discrepancies, and shall be determined after comprehensive examination.

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 categories 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, 2023, IIF's portfolio consisted of 78 properties for a total acquisition price of 389,393 million yen.

The average occupancy rate as of the end of the period stands at 99.3%. The properties are managed under long-term lease contracts with an average remaining lease period of 9.8 years, generating stable cash flows.

IIF continues to conduct "3C Management Cycle" portfolio management in order to achieve internal growth; that is to realize long-term stable management and enhanced profitability as well as asset value by providing value to tenants. "3C Management Cycle" is a portfolio management method of (i) grasping

tenants' true needs through close communication (Communicate); (ii) strategically making custom-made proposals to meet tenants' individual needs (Customize); and (iii) creating unitholder value through long-term stable management coupled with enhanced profitability and asset value (Create).

As a result of these efforts, a memorandum of understanding to share the utility reduction benefits by installing LED lighting equipment was concluded with the existing tenant at IIF Hyogo Tatsuno Logistics Center, and a memorandum of understanding for a green lease associated with the replacement of air conditioning equipment was concluded at IIF Shin-Yamashita R&D Center, achieving both implementation of environmental impact reduction measures and improvement of profitability.

Furthermore, a redevelopment project at IIF Atsugi Logistics Center III (redevelopment) scheduled to be acquired on December 25, 2023, a redevelopment project at IIF Hamura Logistics Center, and an off-balance redevelopment project at IIF Narashino Logistics Center (land with leasehold interest) in collaboration with the leasing company that is the current lessee of the land are currently underway. 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 status for the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) are operating revenue of 18,405 million yen, ordinary income of 7,070 million yen, net income of 7,068 million yen and distributions per unit of 3,260 yen. For the assumptions regarding these forecasts, refer to the following "Earnings Forecast Assumptions for the 33rd Fiscal Period (August 1, 2023 to January 31, 2024) and the 34th Fiscal Period (February 1, 2024 to July 31, 2024)".

The main changes from the 32nd Fiscal Period (February 1, 2023 to July 31, 2023) include the following.

Operating revenue (increase of 556 million yen from the previous fiscal period)

- Increase in rent revenue from four properties acquired in the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) (full contribution) and one property to be acquired in the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) (partial contribution)
- Increase in utilities receivable due to the revision of utility cost sharing at IIF Shonan Health Innovation Park
- The difference between the gain on sale of the IIF Kobe Logistics Center (co-ownership interests of 3% and 32%) disposed of in the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) and that of the IIF Kobe Logistics Center (co-ownership interests of 40%) to be disposed of in the fiscal

period ending January 31, 2024 (August 1, 2023 to January 31, 2024).

Operating expense (increase of 900 million yen from the previous fiscal period)

- Increase in rental expenses for four properties acquired in the fiscal period ending July 31, 2023 (February 1, 2023 to July 31, 2023) (full contribution) and one property to be acquired in the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) (partial contribution)
- Increase in depreciation in the fiscal period ending July 31, 2023 (32nd fiscal period) for asset retirement obligations that were recorded as waste removal costs for IIF Hamura Logistics Center were reduced by approximately 368 million yen due to a change in estimates regarding the removal costs and timing. As a result, approximately 376 million yen was deducted from depreciation and amortization for the current fiscal year as an accounting treatment, including the change in estimate and the decrease in the amount of removal planned for the current fiscal year. Meanwhile, since these reductions are one-time charges, we expect that the amount equivalent to these reductions will be the main factor of increase in this period and the next period.

(Reference)

The forecasts of operating status for the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) are operating revenue of 18,075 million yen, ordinary income of 6,777 million yen, net income of 6,775 million yen and distributions per unit of 3,225 yen (including a distribution per unit in excess of profit of 19 yen). For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 33rd Fiscal Period (August 1, 2023 to January 31, 2024) and the 34th Fiscal Period (February 1, 2024 to July 31, 2024)”.

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 the amount of distribution.

【Attachment】

Earnings Forecast Assumptions for the 33rd Fiscal Period (August 1, 2023 to January 31, 2024) and the 34th Fiscal Period (February 1, 2024 to July 31, 2024)

Item	Assumption										
Accounting period	33rd Fiscal Period from August 1, 2023 to January 31, 2024 (184 days) 34th Fiscal Period from February 1, 2024 to July 31, 2024 (182 days)										
Assets owned	<p>In addition to the real estate and trust beneficial interest in real estate for the 78 properties owned by IIF as of July 31, 2023, it is assumed that IIF acquires and disposes the following properties. IIF has concluded the purchase and sale agreements (for IIF Atsugi Logistics Center III (Redevelopment), construction contracts for new construction) concerning the property to be acquired and to be disposed, and anticipated acquisition date and anticipated disposition date are as follows.</p> <table border="1"> <tr> <td colspan="2">< Property to be acquired ></td></tr> <tr> <td>IIF Atsugi Logistics Center III (Redevelopment)</td><td>Anticipated to be acquired on December 25, 2023</td></tr> <tr> <td colspan="2">< Property to be disposed ></td></tr> <tr> <td>IIF Kobe Logistics Center (40% co-ownership interest)</td><td>Anticipated to be disposed on January 19, 2024</td></tr> <tr> <td>IIF Kobe Logistics Center (25% co-ownership interest)</td><td>Anticipated to be disposed on March 22, 2024</td></tr> </table> <p>IIF Kobe Logistics Center completed the disposition of 3% co-ownership interest on April 7, 2023 and 32% co-ownership interest on July 31, 2023 in the 32nd fiscal period (February 1, 2023 to July 31, 2023). It is assumed that there is no change in the properties after the anticipated acquisitions and anticipated disposition stated above, until the end of July 2024, however, there may be a change due to the acquisition or disposition of our properties in actual.</p>	< Property to be acquired >		IIF Atsugi Logistics Center III (Redevelopment)	Anticipated to be acquired on December 25, 2023	< Property to be disposed >		IIF Kobe Logistics Center (40% co-ownership interest)	Anticipated to be disposed on January 19, 2024	IIF Kobe Logistics Center (25% co-ownership interest)	Anticipated to be disposed on March 22, 2024
< Property to be acquired >											
IIF Atsugi Logistics Center III (Redevelopment)	Anticipated to be acquired on December 25, 2023										
< Property to be disposed >											
IIF Kobe Logistics Center (40% co-ownership interest)	Anticipated to be disposed on January 19, 2024										
IIF Kobe Logistics Center (25% co-ownership interest)	Anticipated to be disposed on March 22, 2024										
Interest-bearing debt	<p>The total amount of interest-bearing debt as of July 31, 2023 was 212,283 million yen, consisting of long-term debt of 192,583 million yen (including those scheduled to be redeemed within one year.), short-term debt of 5,000 million yen and investment corporation bonds of 14,700 million yen.</p> <p>With regard to the long-term debts of 11,000 million yen and the short-term debts of 2,000 million yen scheduled to arrive on the maturity date or redemption date in the 33rd fiscal period and the long-term debts of 8,000 million yen, the short-term debts of 3,000 million yen and the investment corporate bonds of 2,000 million yen scheduled to arrive on maturity date in the 34th fiscal period, IIF plans to refinance them of same amount of the long-term debts so forth.</p> <p>As a result, it is assumed that the total interest-bearing debts as of the end of January 2024 and the end of July 2024 are 212,283 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 33rd fiscal period and the 34th fiscal period. It is assumed that there is no arrears or non-payment of rent during the 33rd fiscal period and the 34th fiscal period based on the assumptions described in “Assets owned” above. With regard to the following two properties that are currently undergoing redevelopment projects, the following assumptions apply.</p> <table border="1"> <tr> <td>IIF Atsugi Logistics Center III</td><td>Assumption that rental revenue is not generated from the beginning of the 33rd fiscal period until December 25, 2023, and will be generated from December 26, 2023, after the completion of acquisition.</td></tr> </table>	IIF Atsugi Logistics Center III	Assumption that rental revenue is not generated from the beginning of the 33rd fiscal period until December 25, 2023, and will be generated from December 26, 2023, after the completion of acquisition.								
IIF Atsugi Logistics Center III	Assumption that rental revenue is not generated from the beginning of the 33rd fiscal period until December 25, 2023, and will be generated from December 26, 2023, after the completion of acquisition.										

	<p>IIF Hamura Logistics Center</p> <p>Assumption that no rental income is generated from the beginning of the 33rd fiscal period until the end of the 34th fiscal period.</p> <p>In addition, a gain on sales of the asset to be disposed is approximately 998 million yen in the 33rd fiscal period (disposition of 40% of co-ownership interests) and approximately 622 million yen in the 34th fiscal period (disposition of 25% of co-ownership interests).</p>
Operating expenses	<p>Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 33rd period are forecast to be approximately 1,424 million yen and approximately 789 million yen, respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 34th period are forecast to be approximately 1,441 million yen and approximately 902 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 34th fiscal period. In addition, as for the property to be acquired, IIF Atsugi Logistics Center III 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 33rd fiscal period and the 34th fiscal period are calculated based on the straight-line method and are estimated to be approximately 2,157 million yen and approximately 2,186 million yen, respectively.</p> <p>Calculation of external outsourcing expenses (property management fees, building management fees, etc.) is based on actual results thus far.</p>
Non-operating expenses	<p>It is assumed that the non-operating expenses (the interest expenses, other debt-related expenses, etc.) for the 33rd fiscal period and for the 34th fiscal period are approximately 941 million yen and approximately 936 million yen, respectively. It is assumed that the amortization of the cost concerning the issuance of new investment units for the 33rd fiscal period and for the 34th fiscal period are approximately 8 million yen and approximately 8 million yen, respectively.</p>
Extraordinary gain or loss	<p>No extraordinary gain or loss is expected for the 33rd fiscal period and for the 34th fiscal period.</p>
Total number of units issued	<p>It is assumed that the total number of issued investment units as of the submission date is 2,113,516.</p>
Distribution per unit (excluding distribution in excess of retained earnings and optimal payable distribution)	<p>It is assumed that net income excluding amounts less than 1 yen per unit is distributed in its entirety. In the 33rd fiscal period and the 34th 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 33rd fiscal period and for the 34th fiscal period is based on the assumption that fluctuations in the fair value of interest rate swaps have no impact on distributions per unit.</p>
Distribution in excess of retained earnings per unit (allowance for temporary difference adjustments)	<p>The taxable income in excess of accounting income for the 33rd fiscal period and for the 34th fiscal period are as follows.</p> <p>For the 33rd 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 34th 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</p>

	<p>temporary difference adjustments) is made.</p> <p>The 33rd fiscal period</p> <p>(1) Tax discrepancy related to interest costs and depreciation, etc. for asset retirement obligations of asbestos removal of the IIF's asset, etc. (approximately 41 million yen).</p> <p>(2) Partial resolution of tax discrepancy related to asset retirement obligations recorded for the disposal of waste materials discovered to exist underground at the subject site during the demolition of the existing building at IIF Hamura Logistics Center (approximately 220 million yen).</p> <p>The reversal of allowance for temporary differences (approximately 179 million yen) will be calculated by deducting the amount equivalent of the tax discrepancy in the 33rd fiscal period ((1) approximately 41 million yen) from the reversal of allowance for temporary differences ((2) approximately 220 million yen) that will arise from the partial resolution of the tax discrepancy at IIF Hamura Logistics Center.</p> <p>The 34th fiscal period</p> <p>(3) Tax discrepancy related to interest costs and depreciation, etc. for asset retirement obligations of asbestos removal of the IIF's asset. (approximately 41 million yen).</p>
<p>Distribution in excess of retained earnings per unit (distribution with decrease in investment capital under tax law)</p>	<p>For the 33rd fiscal period, the newly forecasted distribution per unit (3,260 yen) exceeds the forecasted distribution per unit (3,165 yen) announced in the "Summary of Financial Report for the Fiscal Period ending January 31, 2023 (REIT)" dated March 13, 2023, due to the expected gain on the sale of property (472 yen per unit) related to IIF Kobe Logistics Center (scheduled to be disposed on January 19, 2024 (40% co-ownership interest)), and therefore, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>For the 34th fiscal period, the expected gain on sales of property (294 yen per unit) related to IIF Kobe Logistics Center (scheduled to be disposed of on March 22, 2024 (25% co-ownership interest)) is expected to be recorded, and therefore, it is assumed that the forecasted distribution in excess of earnings (distribution in reduction of capital contribution under the Tax Law) is not made, as the expected gain on sales of property described above will exceed the total of the projected distribution in excess of earnings (distribution in reduction of capital contribution under the Tax Law) (195 yen per unit) based on (i) and (ii) below.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), 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 (175 yen per unit) is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit.</p> <ul style="list-style-type: none"> • Decrease in rent revenue due to the implementation of redevelopment project at IIF Hamura Logistics Center (9 yen) • Increase in utility cost (after offsetting revenues from tenants, etc.) and increase in repair cost due to renovation work on vacant parcels in IIF Shonan Health Innovation Park (166 yen) <p>(2) In accordance with the policy of surplus cash distribution(*), 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</p>

	<p>profits for the property to be acquired are made.</p> <ul style="list-style-type: none"> • IIF Yokkaichi Logistics Center (New building) (10 yen) • IIF Shiga Ryuoh Logistics Center (4 yen) • IIF Atsugi Logistics Center (6 yen) <p>* The distribution policy is described in “Part 1, Fund Information, Item 1. Status of Fund, 2. Investment Policies, (3) Cash Distribution Policies, (ii) Cash Distributions in Excess of Profits, (A) Policy regarding Optimal Payable Distribution on the latest securities report (submitted on April 27, 2023).</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 Atsugi Logistics Center III (Redevelopment)	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa, Japan	Logistics Facilities	4,477 ^(Note1)	7,510 ^(Note2)

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

- ” Notice Concerning IIF Atsugi Logistics Center III Redevelopment Project (Follow-up Report 2)” dated March 13, 2023.

(Note1) The Anticipated acquisition price of IIF Atsugi Logistics Center III (Redevelopment) is the sum of the land acquisition price stated in the Trust Beneficiary Interest Purchase and Sale Agreement at the time of initial acquisition, plus the construction contract price, design fees and CM fees for the redevelopment of the building.

(Note2) The Appraisal value of IIF Atsugi Logistics Center III (Redevelopment) indicates the appraisal value of the uncompleted building, including the land portion that has already been acquired.

The summary of the property to be disposed is as follows.

Name of property disposed	Location	Type
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo, Japan	Logistics Facilities

For the details of the property to be disposed, please refer “Notice Concerning Disposition of One Property in Japan 【IIF Kobe Logistics Center】 ” dated February 22, 2023.

(2) Investment risk

There are no significant changes of “Investment risk” from the latest securities report (submitted on April 27, 2023), and the disclosure of these matters is omitted.

2. Financial information

(1) Balance sheets

		(Thousands of yen)	
		As of	
		January 31, 2023	July 31, 2023
ASSETS			
Current assets:			
Cash and bank deposits	35,896,549	35,313,041	
Cash and bank deposits in trust	6,127,572	6,055,811	
Rental receivables	460,730	962,812	
Prepaid expenses	854,422	1,922,130	
Income taxes receivable	-	8	
Consumption taxes refundable	231,481	-	
Other	1,180	6,503	
Total current assets	43,571,937	44,260,307	
Noncurrent assets:			
Property, plant and equipment:			
Buildings, at cost	35,340,238	35,561,297	
Less: Accumulated depreciation	(10,049,081)	(10,486,104)	
Buildings, net	25,291,156	25,075,192	
Structures, at cost	119,103	123,482	
Less: Accumulated depreciation	(59,818)	(64,089)	
Structures, net	59,284	59,393	
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	26,719	26,719	
Less: Accumulated depreciation	(14,387)	(15,614)	
Tools, furniture and fixtures, net	12,331	11,104	
Land	20,391,344	20,391,344	
Construction in progress	1,896,652	2,105,502	
Buildings in trust, at cost	107,188,558	111,123,286	
Less: Accumulated depreciation	(19,578,286)	(20,917,421)	
Buildings in trust, net	87,610,271	90,205,864	
Structures in trust, at cost	1,379,565	1,485,196	
Less: Accumulated depreciation	(630,733)	(685,227)	
Structures in trust, net	748,832	799,968	
Machinery and equipment in trust, at cost	132,642	132,642	
Less: Accumulated depreciation	(69,927)	(77,135)	
Machinery and equipment in trust, net	62,714	55,506	
Tools, furniture and fixtures in trust, at cost	281,689	330,782	
Less: Accumulated depreciation	(63,673)	(83,987)	
Tools, furniture and fixtures in trust, net	218,016	246,795	
Land in trust	221,334,622	228,823,627	
Construction in progress in trust	8,760	9,830	
Total net property, plant and equipment	357,633,987	367,784,130	
Intangible assets:			
Leasehold right (Note 1)	19,833,966	19,833,966	
Other	3,257	2,027	
Total intangible assets	19,837,223	19,835,993	
Investments and other assets:			
Investment in affiliates	-	356,826	
Investment securities	83,335	-	
Lease and guarantee deposits	10,200	10,200	
Long-term prepaid expenses	1,098,664	1,034,723	
Other	10,293	5,515	
Total investments and other assets	1,202,493	1,407,264	
Total noncurrent assets	378,673,704	389,027,389	
Deferred assets:			
Investment unit issuance costs	13,887	42,461	
Investment corporation bonds issuance costs	85,918	79,321	
Total deferred assets	99,806	121,783	
TOTAL ASSETS	422,345,447	433,409,480	

(Thousands of yen)

	As of	
	January 31, 2023	July 31, 2023
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,863,179	1,386,496
Short-term loans payable	3,700,000	5,000,000
Current portion of investment corporation bonds – unsecured	-	2,000,000
Current portion of long-term loans payable	21,100,000	19,000,000
Accounts payable – other	764,375	840,410
Accrued expenses	148,510	138,329
Income taxes payable	1,513	615
Consumption taxes payable	-	295,472
Advances received	2,941,995	3,420,346
Other	707,687	231,089
Total current liabilities	31,227,262	32,312,760
Noncurrent liabilities:		
Investment corporation bonds – unsecured	14,700,000	12,700,000
Long-term loans payable	168,783,000	173,583,000
Tenant leasehold and security deposits	2,630,414	2,640,473
Tenant leasehold and security deposits in trust	15,230,464	15,640,423
Asset retirement obligations	865,966	839,807
Other	3,069	2,428
Total noncurrent liabilities	202,212,914	205,406,132
TOTAL LIABILITIES	233,440,176	237,718,893
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	183,865,203	189,683,850
Capital deduction:		
Allowance for temporary difference adjustment (Note 2)	(283,073)	(781,924)
Other deduction of unitholders' capital	(641,451)	(641,451)
Total capital deduction	(924,524)	(1,423,376)
Unitholders' capital, net	182,940,679	188,260,474
Surplus:		
Retained earnings	5,973,223	7,428,646
Total surplus	5,973,223	7,428,646
Total unitholders' equity	188,913,902	195,689,121
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	(8,631)	1,465
Total valuation and translation adjustments	(8,631)	1,465
TOTAL NET ASSETS (Note 3)	188,905,271	195,690,586
TOTAL LIABILITIES AND NET ASSETS	422,345,447	433,409,480

The accompanying notes in sections (6), (7) and (8) 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, 2023	July 31, 2023
Operating revenue		
Rent revenue—real estate (Note 4)	16,492,989	16,986,729
Gain on sales of property (Note 5)	1,450,116	861,327
Dividend income from investments in Tokumei Kumiai	1,419	5
Total operating revenue	17,944,524	17,848,062
Operating expenses		
Expenses related to property rental business (Note 4)	9,517,666	8,008,188
Asset management fees	1,276,422	1,284,797
Directors' compensations	7,440	7,440
Asset custody fees	9,463	9,585
Administrative service fees	40,433	39,199
Other	153,541	143,893
Total operating expenses	11,004,967	9,493,104
Operating income	6,939,556	8,354,958
Non-operating income		
Interest income	192	208
Interest on refund	-	717
Reversal of distribution payable	419	504
Compensation income	16,201	-
Total non-operating income	16,813	1,430
Non-operating expenses		
Interest expenses	674,378	652,746
Interest expenses on investment corporation bonds	63,163	42,106
Amortization of investment corporation bonds issuance costs	6,456	6,597
Borrowing related expenses	217,652	211,228
Amortization of investment unit issuance costs	29,913	20,736
Other	21,993	3,172
Total non-operating expenses	1,013,557	936,587
Ordinary income	5,942,812	7,419,800
Income before income taxes	5,942,812	7,419,800
Income taxes		
Current	1,833	639
Total income taxes	1,833	639
Net income	5,940,979	7,419,161
Retained earnings brought forward	32,243	9,485
Unappropriated retained earnings	5,973,223	7,428,646

(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	
	Capital deduction			Total capital deduction	Unitholders' capital, net	Retained earnings	Total surplus				
	Unitholders' capital (Note 3)	Allowance for temporary difference adjustment	Other deduction of unitholders' capital								
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
Changes during the period											
Dividends from surplus	-	-	-	-	-	(6,069,286)	(6,069,286)	(6,069,286)	-	-	(6,069,286)
Reversal of allowance for temporary difference adjustment	-	449,390	-	449,390	449,390	(449,390)	(449,390)	-	-	-	-
Other distribution in excess of profit	-	-	(347,762)	(347,762)	(347,762)	-	-	(347,762)	-	-	(347,762)
Net income	-	-	-	-	-	5,940,979	5,940,979	5,940,979	-	-	5,940,979
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	22,792	22,792	22,792
Total changes during the period	-	449,390	(347,762)	101,627	101,627	(577,697)	(577,697)	(476,069)	22,792	22,792	(453,277)
Balance as of January 31, 2023	183,865,203	(283,073)	(641,451)	(924,524)	182,940,679	5,973,223	5,973,223	188,913,902	(8,631)	(8,631)	188,905,271
Changes during the period											
Issuance of new investment units	5,818,647	-	-	-	5,818,647	-	-	5,818,647	-	-	5,818,647
Dividends from surplus	-	-	-	-	-	(5,940,945)	(5,940,945)	(5,940,945)	-	-	(5,940,945)
Reversal of allowance for temporary difference adjustment	-	22,792	-	22,792	22,792	(22,792)	(22,792)	-	-	-	-
Dividend in excess of profit from allowance for temporary difference adjustment	-	(521,644)	-	(521,644)	(521,644)	-	-	(521,644)	-	-	(521,644)
Net income	-	-	-	-	-	7,419,161	7,419,161	7,419,161	-	-	7,419,161
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	10,097	10,097	10,097
Total changes during the period	5,818,647	(498,851)	-	(498,851)	5,319,795	1,455,423	1,455,423	6,775,218	10,097	10,097	6,785,315
Balance as of July 31, 2023	189,683,850	(781,924)	(641,451)	(1,423,376)	188,260,474	7,428,646	7,428,646	195,689,121	1,465	1,465	195,690,586

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

(4) Statements of cash distributions

		(Yen)	
		For the six months ended	
		January 31, 2023	July 31, 2023
I	Unappropriated retained earnings	5,973,223,242	7,428,646,415
II	Distributions in excess of profit	521,644,032	-
	Allowance for temporary difference adjustment	521,644,032	-
III	Capitalization	22,792,266	491,288,193
	Reversal of allowance for temporary difference adjustment	22,792,266	491,288,193
IV	Cash distribution declared	6,462,589,952	6,936,559,512
	(Cash distribution declared per unit)	(3,122)	(3,282)
	Profit distributions	5,940,945,920	6,936,559,512
	(Profit distributions per unit)	(2,870)	(3,282)
	Allowance for temporary difference adjustment	521,644,032	-
	(Distribution per unit in excess of profit from allowance for temporary difference adjustment)	(252)	(-)
V	Retained earnings carried forward	9,485,056	798,710

Note:

For the six months ended January 31, 2023:

Cash distributions declared for the six months ended January 31, 2023 were ¥6,462,589,952.

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, 2023 were ¥5,940,945,920 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, 2023 were amounting to ¥521,644,032, except for fractional distribution per unit in excess of profit less than one yen. As a result, cash distributions declared for the six months ended July 31, 2023 totaled ¥6,462,589,952.

For the six months ended July 31, 2023:

Cash distributions declared for the six months ended July 31, 2023 were ¥6,936,559,512.

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, 2023 were ¥6,936,559,512 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 generally makes distributions in excess of profit (unitcapital refunds from deduction of unitcapital under tax rules) on a continuous basis every fiscal period in accordance with the policy prescribed in the article of incorporation 25, Paragraph 2. The Investment Corporation, however, does not make such distributions in excess of profit for the six months ended July 31, 2023, considering the level of profit distributions contributed by gain on sales of property. As a result, cash distributions declared for the six months ended July 31, 2023 totaled ¥6,936,559,512.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	January 31, 2023	July 31, 2023
Net cash provided by (used in) operating activities:		
Income before income taxes	5,942,812	7,419,800
Depreciation and amortization	2,758,107	1,709,572
Amortization of investment corporation bonds issuance costs	6,456	6,597
Amortization of investment unit issuance costs	29,913	20,736
Interest income	(192)	(208)
Interest expenses	737,542	694,852
Changes in assets and liabilities:		
Decrease (increase) in operating accounts receivable	325,004	(502,082)
Decrease (increase) in consumption taxes refundable	(231,481)	231,481
Decrease (increase) in prepaid expenses	139,397	(1,067,707)
Decrease (increase) in long-term prepaid expenses	72,722	63,941
Increase (decrease) in operating accounts payable	(174,477)	(482,327)
Increase (decrease) in accounts payable - other	(7,852)	35,184
Increase (decrease) in accrued expenses	969	(1,257)
Increase (decrease) in consumption taxes payable	(582,697)	295,472
Increase (decrease) in advances received	(56,664)	478,350
Increase (decrease) in other noncurrent liabilities	(1,142)	(640)
Decrease from sales of property and equipment in trust	1,144,984	1,995,548
Other, net	(31,408)	(116,021)
Subtotal	10,071,992	10,781,294
Interest income received	192	208
Interest expenses paid	(726,407)	(703,776)
Income taxes paid	(1,255)	(1,546)
Net cash provided by operating activities	9,344,522	10,076,179
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(1,151,774)	(386,687)
Purchases of property, plant and equipment in trust	(6,436,561)	(13,793,903)
Proceeds from tenant leasehold and security deposits	1,051	10,058
Proceeds from tenant leasehold and security deposits in trust	129,412	501,498
Payments of tenant leasehold and security deposits in trust	(373,010)	(91,539)
Purchase of investment in affiliates	-	(356,826)
Proceeds from investment securities	-	81,818
Net cash used in investing activities	(7,830,883)	(14,035,580)
Net cash provided by (used in) financing activities:		
Proceeds from short-term loans payable	2,000,000	3,000,000
Repayments of short-term loans payable	(1,700,000)	(1,700,000)
Proceeds from long-term loans payable	10,500,000	12,800,000
Repayments of long-term loans payable	(5,000,000)	(10,100,000)
Proceeds from issuance of investment corporation bonds	4,700,000	-
Redemption of investment corporation bonds	(5,000,000)	-
Payments of investment corporation bonds issuance costs	(35,496)	(2,800)
Proceeds from issuance of investment units	-	5,818,647
Payments of investment unit issuance costs	-	(49,310)
Dividends paid	(6,416,640)	(6,462,404)
Net cash provided by (used in) financing activities	(952,137)	3,304,132
Net change in cash and cash equivalents	561,502	(655,269)
Cash and cash equivalents at beginning of period	41,462,619	42,024,121
Cash and cash equivalents at end of period (Note 6)	42,024,121	41,368,852

(6) Note relating to going concern assumption

Nothing to be noted.

(7) Summary of significant accounting policies

(a) Securities

Investment in affiliates are stated at cost determined by the moving average method.

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.

No taxes on property and equipment were capitalized for the six months ended January 31, 2023. Taxes on property and equipment capitalized amounted to ¥67,450 thousand for the six months ended July 31, 2023.

(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.

(8) 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, 2023 and July 31, 2023 are as follows:

For the six months ended January 31, 2023:

(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	878,219	674,747	203,471	(626,314)	251,904	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	57,715	-	(26,547)	31,168	(ii)
Total		1,283,668	732,463	203,471	(652,862)	283,073	

For the six months ended July 31, 2023:

(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	1,604,767	251,904	726,548	(204,904)	773,548	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	31,168	-	(22,792)	8,375	(ii)
Total		2,010,216	283,073	726,548	(227,696)	781,924	

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, 2023	July 31, 2023
Authorized	32,000,000 units	32,000,000 units
Issued and outstanding	2,070,016 units	2,113,516 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, 2023 and July 31, 2023 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	January 31, 2023	July 31, 2023
Rent revenue—real estate:		
Rental and parking revenue	16,022,709	15,913,028
Common area charges	380,331	979,730
Other	89,947	93,970
Total rent revenue-real estate	16,492,989	16,986,729
Expenses related to property rental business:		
Property management fees	83,157	75,339
Facility management fees	1,713,860	1,629,929
Utilities	2,061,910	1,812,620
Property-related taxes	1,419,130	1,423,817
Insurance	49,464	49,414
Repair and maintenance	960,739	824,759
Depreciation	2,758,107	1,709,572
Trust fees	18,832	20,213
Leasehold rents	444,549	459,230
Other	7,913	3,291
Total expenses related to property rental business	9,517,666	8,008,188
Operating income from property leasing activities	6,975,322	8,978,541

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, 2023	July 31, 2023
Sale of property	2,700,000	2,982,000
Cost of property	1,144,984	1,995,548
Other sales expenses	104,899	125,123
Gain on sales of property, net	1,450,116	861,327

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, 2023	July 31, 2023
Cash and bank deposits	35,896,549	35,313,041
Cash and bank deposits in trust	6,127,572	6,055,811
Cash and cash equivalents	42,024,121	41,368,852

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, 2023 and July 31, 2023 scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	January 31, 2023	July 31, 2023
Due within one year	28,692,879	28,609,106
Due after one year	98,662,473	94,388,686
Total	127,355,353	122,997,792

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, 2023 and July 31, 2023. 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.

(Thousands of yen)

	As of January 31, 2023			As of July 31, 2023		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Current portion of investment corporation bonds — unsecured	-	-	-	2,000,000	2,008,180	8,180
(2) Current portion of long-term loans payable	21,100,000	21,187,574	87,574	19,000,000	19,090,822	90,822
(3) Investment corporation bonds — unsecured	14,700,000	14,201,297	(498,703)	12,700,000	12,295,483	(404,517)
(4) Long-term loans payable	168,783,000	166,875,463	(1,907,536)	173,583,000	172,928,858	(654,141)
Total liabilities	204,583,000	201,017,258	(2,318,664)	207,283,000	206,323,343	(959,656)
Derivatives (derivatives liabilities), net	(8,631)	(8,631)	-	1,465	1,465	-

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 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No. 31 issued on June 17, 2021).

The net book values of equity interests in silent partnership are ¥83,335 thousand as of January 31, 2023.

Note (iii): Non-marketable investment securities

Investment in affiliates is not subject to fair value disclosure in accordance with Paragraph 5 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).

The net book values of investment in affiliates are ¥356,826 thousand as of July 31, 2023.

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

(Thousands of yen)

As of January 31, 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Investment corporation bonds — unsecured	-	2,000,000	-	3,000,000	3,000,000	6,700,000
Long-term loans payable	21,100,000	18,500,000	20,250,000	18,150,000	22,200,000	89,683,000
Total	21,100,000	20,500,000	20,250,000	21,150,000	25,200,000	96,383,000
As of July 31, 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Investment corporation bonds — unsecured	2,000,000	-	-	3,000,000	3,000,000	6,700,000
Long-term loans payable	19,000,000	22,900,000	22,300,000	21,800,000	23,200,000	83,383,000
Total	21,000,000	22,900,000	22,300,000	24,800,000	26,200,000	90,083,000

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, 2023

(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	(8,631)	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	24,900,000	9,900,000	Note (i)	-

As of July 31, 2023

(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	800,000	800,000	1,465	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	19,400,000	7,400,000	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, 2023	July 31, 2023
Deferred tax assets:		
Enterprise tax payable	69	1
Asset retirement obligations	488,772	333,650
Deferred losses on hedges	2,715	-
Subtotal	491,558	333,651
Valuation allowance	(491,558)	(333,651)
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, 2023	July 31, 2023
Statutory tax rates	31.46%	31.46%
Deductible cash distributions	(34.21)	(29.41)
Other	2.78	(2.04)
Effective tax rates	0.03%	0.01%

Note 11 — Related-party transactions

The following table shows related-party transaction for the six months ended July 31, 2023. There were no related-party transactions to be disclosed for the six months ended January 31, 2023.

For the six months ended July 31, 2023:

Type of related-party	Company name	Location	Capital amounts (Thousands of yen)	Business	Voting rights ownership ratio	Transactions for the period		Balance at end of the period	
						Type of transaction	Amounts (Thousands of yen)	Balance sheet account	Amounts (Thousands of yen)
Related company	iPark Institute Co., Ltd.	Fujisawa-shi, Kanagawa	100,000	Management of facility operation, etc.	Direct ownership 41.00%	Outsourcing fee	1,000,000	Prepaid expenses	275,000

Note:

The transaction amounts do not include consumption taxes. The balance amounts include consumption taxes.

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, etc.

(ii) Calculation of asset retirement obligations

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

(iii) Movements of asset retirement obligations

	(Thousands of yen)	
	For the six months ended	
	January 31, 2023	July 31, 2023
Balance at the beginning of the period	882,349	1,553,632
Increase (decrease) due to change in estimates	-	(368,756)
Adjustment for passage of time	2,259	2,123
Derecognition due to settlement of obligations	(46,925)	(126,446)
Other increase (decrease), net	715,948	-
Balance at the end of the period	1,553,632	1,060,553

(iv) Change in estimates of asset retirement obligations

For the six months ended July 31, 2023, the Investment Corporation has changed removal cost and period estimates with respect to asset retirement obligation of IIF Hamura Logistics Center as additional information on removal was available. The amount of decrease in the obligation due to change in estimates is ¥368,756 thousand and deducted from the balance of asset retirement obligation.

(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, 2023 and July 31, 2023.

	(Thousands of yen)	
	For the six months ended	
	January 31, 2023	July 31, 2023
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	372,815,584	377,468,402
Net increase (decrease) during the period ⁽ⁱⁱ⁾	4,652,817	10,150,105
Balance at the end of the period	377,468,402	387,618,507
Fair value⁽ⁱⁱⁱ⁾	469,752,000	484,466,000

Note:

(i) The net book value includes leasehold right.

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

	Increase (decrease) in net book value (Thousands of yen)
For the six months ended January 31, 2023:	
Acquisitions:	
IIF Yokkaichi Logistics Center (New Building).....	5,496,474
Disposition:	
IIF Osaka Nanko IT Solution Center.....	(1,144,984)
For the six months ended July 31, 2023:	
Acquisition:	
IIF Ota Manufacturing Center.....	4,627,490
IIF Shiga Ryuoh Logistics Center.....	3,703,662
IIF Hanno Manufacturing Center (land with leasehold interest).....	2,537,951
IIF Omihachiman Logistics Center.....	1,912,132
Disposition:	
IIF Kobe Logistics Center (3% and 32% of quasi-co-ownership).....	(1,995,548)

(iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers. For IIF Kobe Logistics Center signed disposition contract on March 1, 2023, the selling prices are used for the six months ended January 31, 2023 and July 31, 2022.

For rent revenues and expenses for the six months ended January 31, 2023 and July 31, 2023, 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, 2023:**

(Thousands of yen)

	Revenue from contracts with customers (Note (i))	Sales to external customers (Note (ii))
Sales of property	-	1,450,116
Common area charges	380,331	380,331
Others	27,974	16,114,076
Total	408,306	17,944,524

For the six months ended July 31, 2023:

(Thousands of yen)

	Revenue from contracts with customers (Note (i))	Sales to external customers (Note (ii))
Sales of property	2,982,000	861,327
Common area charges	979,730	979,730
Others	31,305	16,007,004
Total	3,993,035	17,848,062

Note:

- (i) Rent revenues subject to the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No.13) and sale of property subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting Practice Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) 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, 2023	For the six months ended July 31, 2023
Receivables generated from contracts with customers (balance at beginning of fiscal period)	61,711	114,503
Receivables generated from contracts with customers (balance at end of fiscal period)	114,503	592,597
Contract assets (balance at beginning of fiscal period)	-	-
Contract assets (balance at end of fiscal period)	-	-
Contract liabilities (balance at beginning of fiscal period)	270,000	-
Contract liabilities (balance at end of fiscal period)	-	-

(2) Transaction value allocated to remaining performance obligations**For the six months ended January 31, 2023:**

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.

For the six months ended July 31, 2023:

As of July 31, 2023, transaction value allocated to remaining performance obligations regarding sales of property was ¥5,538,000 thousand related to a property signed disposition contract on March 1, 2023. Revenue from the remaining performance obligation will be recognized when the delivery of the property scheduled on January 19, 2024 and March 22, 2024 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, 2023 and July 31, 2023 is as follows:

(a) Operating segment information

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, 2023 and July 31, 2023, 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, 2023 and July 31, 2023 and net income per unit for the six months then ended.

	(Yen)	
	For the six months ended	
	January 31, 2023	July 31, 2023
Net asset value per unit	91,257	92,590
Net income per unit	2,870	3,530

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

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

	(Thousands of yen)	
	For the six months ended	
	January 31, 2023	July 31, 2023
Net income	5,940,979	7,419,161
Effect of dilutive unit	-	-
Net income available to common unitholders	5,940,979	7,419,161
Adjusted weighted-average number of units outstanding for the period	2,070,016 units	2,101,499 units

Note 17 — Subsequent events

Nothing to be noted.

Note 18 — Allowance for temporary difference adjustment

Changes of temporary difference subject to allowance for temporary difference adjustment for the six months ended January 31, 2023 and July 31, 2023 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, 2023	Buildings in trust	Excess of depreciation allowance	726,548	(i)
	Buildings in trust	Reversal of excess of depreciation allowance	(204,904)	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(22,792)	(ii)
July 31, 2023	Buildings in trust	Excess of depreciation allowance	12,290	(i)
	Buildings in trust	Reversal of excess of depreciation allowance	(495,202)	(i)
	Deferred gains or (losses) on hedges	Decrease of Valuation losses on interest rate swaps	(8,375)	(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.

(9) 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	
May 29, 2019	Public offering	90,700	1,789,516	10,973	136,349	Note 2
June 25, 2019	Allocation of investment units to a third party	4,500	1,794,016	544	136,894	Note 3
October 15, 2019	Distributions in excess of profit (unitcapital refunds)	-	1,794,016	(69)	136,824	Note 4
December 18, 2019	Public offering	83,900	1,877,916	13,014	149,839	Note 5
January 15, 2020	Allocation of investment units to a third party	2,100	1,880,016	325	150,165	Note 6
April 17, 2020	Distributions in excess of profit (unitcapital refunds)	-	1,880,016	(223)	149,941	Note 7
August 11, 2020	Public offering	181,000	2,061,016	32,037	181,978	Note 8
September 8, 2020	Allocation of investment units to a third party	9,000	2,070,016	1,593	183,571	Note 9
October 20, 2022	Distributions in excess of profit (unitcapital refunds)	-	2,070,016	(347)	183,223	Note 10
March 23, 2023	Public offering	43,500	2,113,516	5,818	189,042	Note 11

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

Note 2 New investment units were issued at a price of ¥125,092 per unit (subscription price of ¥120,986 per unit) through a public offering.

Note 3 New investment units were issued at a price of ¥120,986 per unit through the allocation of investment units to a third-party.

Note 4 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 5 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 6 New investment units were issued at a price of ¥155,123 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 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 8 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 9 New investment units were issued at a price of ¥177,001 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 September 14, 2022, resolved to make distribution in excess of profit (unitcapital refund from deduction of unitcapital under tax rule) amounting to ¥168 per unit for the six months ended July 31, 2022. The payment of distribution in excess of profit was commenced on October 20, 2022.

Note 11 New investment units were issued at a price of ¥138,278 per unit (subscription price of ¥133,762 per unit) through a public offering.

3. Additional information

(1) Composition of assets

Classification of assets	Asset category	Location category (Note1)	Region	As of January 31, 2023		As of July 31, 2023	
				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	12,862	3.0	12,907	3.0
			Osaka and Nagoya metropolitan areas	4,798	1.1	4,776	1.1
			Other area	3,104	0.7	3,101	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	42,832	10.1	42,600	9.8
			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	191,412	45.3	198,477	45.8
			Osaka and Nagoya metropolitan areas	62,041	14.7	65,539	15.1
			Other area	32,042	7.6	31,887	7.4
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	5,778	1.4	5,778	1.3
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	20,596	4.9	20,551	4.7
			Other area	-	-	-	-
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	-	-
Sub-total				377,468	89.4	387,618	89.4
Investment in affiliates (Note 4)				-	0.0	356	0.1
Investments in Tokumei Kumiai agreement (Note 5)				83	0.0	-	-
Bank deposits and other assets				44,793	10.6	45,434	10.5
Total assets				422,345	100.0	433,409	100.0
Total liabilities				233,440	55.3	237,718	54.8
Total net assets				188,905	44.7	195,690	45.2

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 Investment in affiliates is the stock of iPark Institute Co., Ltd. (ownership ratio 41%) which is the management company of IIF Shonan Health Innovation Park.

Note 5 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, 2023 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)	40,195	131,241.29	131,241.29	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Haneda Airport Maintenance Center	36,419	81,995.81	81,995.81	100.0	8.9	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	15,138	11,476.05	11,476.05	100.0	2.0	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	12,995	27,493.29	27,493.29	100.0	2.4	Logistics facility
IIF Atsugi Manufacturing Center (Note 5)	11,917	97,153.03	97,153.03	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Osaka Suminoe Logistics Center I	11,754	52,201.30	52,201.30	100.0	Note 6	Logistics facility
IIF Fukuoka Hakozaki Logistics Center II	9,937	51,530.51	51,530.51	100.0	Note 6	Logistics facility
IIF Mitaka Card Center	9,333	21,615.01	21,615.01	100.0	2.2	Manufacturing and R&D facility, etc.
IIF Yokkaichi Logistics Center	9,165	51,504.25	51,504.25	100.0	Note 6	Logistics facility
Total	173,463	1,164,013.18	1,164,013.18	100.0	56.1	

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, 2023 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	19,080	12,995
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	10,000	5,276
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	8,210	5,092
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	3,400	1,665
IIF Nishinomiya Logistics Center	2, Nishinomiya 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,260	1,899
IIF Narashino Logistics Center (Land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	1,950	1,226
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	83,238.14	6,910	4,670
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,310	3,091
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,615.82	3,720	2,253
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,620	1,403
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,610	1,152
IIF Atsugi Logistics Center III (Note 6)	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	-	6,000	3,584
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	5,860	2,095
IIF Kobe Logistics Center (Notes 4 and 7)	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	24,084.07	5,629	3,705
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,528.42	4,470	2,426
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	3,830	1,994
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	6,860	3,310
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,650	2,885
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kuranoue-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	2,730	1,474
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,560	536
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	5,040	3,141
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	8-1, Nagisa-cho, Izumiotsu-shi, Osaka	Trust beneficial interest	48,932.00	4,740	4,177
IIF Izumisano Food Processing and Logistics Center	2-11, Rinkuorai-kita, Izumisano-shi, Osaka	Real property	13,947.83	1,180	941
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	8,660	5,469
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	1,070	914
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,330	1,879
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	11,100	8,679
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	3,100	2,536
IIF Hamura Logistics Center (Note 8)	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	-	899	951

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	5,840	5,119
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,530.51	12,000	9,937
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	2,350	1,700
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,950	1,532
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,210	988
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	16,200	11,754
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	3,060	2,514
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,540	1,378
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,760	2,470
IIF Koriyama Logistics Center	213, Aza Mukaiharu, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,350	2,389
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	2,530	2,059
IIF Hyogo Tatsuno Logistics Center	300-2, Tai-san, Nagao, Issaicho, Tatsuno-shi, Hyogo, etc.	Trust beneficial interest	25,186.78	4,640	4,077
IIF Akishima Logistics Center	3928-4, Kohake, Haijimacho, Akishima-shi, Tokyo	Trust beneficial interest	31,071.21	9,010	8,452
IIF Gifu Kakamigahara Logistics Center	2-8, Aza Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Trust beneficial interest	16,708.51	3,330	2,352
IIF Hiroshima Seifushinto Logistics Center	3-1, Tomominami 2-chome, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	28,988.91	6,750	6,234
IIF Shonan Logistics Center	9-2, Ichinomiya 7-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	23,728.15	9,220	7,522
IIF Yokkaichi Logistics Center	1340-8, Azayamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, etc.	Trust beneficial interest	51,504.25	10,400	9,165
IIF Shiga Ryuoh Logistics Center	900-1, Yamazurakawahara, Ryuoh-cho, Gamo-gun, Shiga, etc.	Trust beneficial interest	17,916.90	3,920	3,677
IIF Omihachiman Logistics Center	951-4, Chokoji-cho, Omihachiman-shi, Shiga, etc.	Trust beneficial interest	25,111.07	2,270	1,903
IIF Totsuka Technology Center (Land with leasehold interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	5,350	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,360	1,328
IIF Mitaka Card Center	5-14, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	9,830	9,333
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,380	7,397
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	3,000	1,825
IIF Sagami-hara R&D Center	1-35, Minamihashimoto 3-chome, Chuoh-ku, Sagami-hara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,790	3,632
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,240	3,704
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	1,700	1,345
IIF Yokosuka Technology Center	1-15, Shinmei-cho, Yokosuka-shi, Kanagawa	Trust beneficial interest	13,779.77	4,520	4,382

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 Shonan Technology Center	1-1, Ichinomiya 6-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	7,244.71	1,360	1,317
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	2,620	2,413
IIF Atsugi Manufacturing Center (Note 9)	832-1, Aza Momijiyama, Shimofurusawa, Atsugi-shi, Kanagawa, etc.	Trust beneficial interest	97,153.03	16,300	11,917
IIF Shin-Kawasaki R&D Center	1-2, Shinogura, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	11,865.54	8,720	6,333
IIF Ichikawa Food Processing Center	1-1-2, Higashihama 1-chome, Ichikawa-shi, Chiba, etc.	Trust beneficial interest	27,424.22	6,610	6,322
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	6,170	6,312
IIF Okazaki Manufacturing Center (Land with leasehold interest)	34-6, Aza Okasaku, Makihiro-cho, Okazaki-shi, Aichi, etc.	Trust beneficial interest	42,049.87	4,320	4,104
IIF Shonan Health Innovation Park	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa	Trust beneficial interest	131,241.29	44,500	40,195
IIF Ichihara Manufacturing Center (Land with leasehold interest)	1-1, Yawatakaigandori, Ichihara-shi, Chiba, etc.	Trust beneficial interest	637,802.64	18,810	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	1,198
IIF Hanno Manufacturing Center (land with leasehold interest)	3-8, Akanedai, Hanno-shi, Saitama, etc.	Trust beneficial interest	145,759.02	3,020	2,537
IIF Ota Manufacturing Center	4-17, Higashi kojiya 6-chome, Ota-ku, Tokyo	Trust beneficial interest	8,285.90	5,020	4,617
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuoku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	12,100	15,138
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,400	36,419
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	7,470	5,451
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,520	5,412
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	808	729
Total			2,752,841.91	484,557	387,618

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) and IIF Kobe Logistics Center (65% 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 (25,168.14m²).

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. The demolition work was completed on July 21, 2022.

Note 7 The Investment Corporation sold 3% and 32% of quasi-co-ownership interest of IIF Kobe Logistics Center on April 7, 2023 and July 31, 2023, respectively. For the remaining quasi-co-ownership of interest of the property, the Investment Corporation is going to sell 40% on January 19, 2024 and 25% on March 22, 2024.

Note 8 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. The demolition work was completed on January 19, 2023.

Note 9 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).

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of July 31, 2023 were as follows:

Name of property	For the six months ended January 31, 2023					For the six months ended July 31, 2023				
	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	358	3.7	1	100.0	400	365	3.4
IIF Noda Logistics Center	2	100.0	(Note 3)	214	2.2	2	100.0	(Note 3)	214	2.0
IIF Shinsuna Logistics Center	1	100.0	179	160	1.6	1	100.0	179	159	1.5
IIF Koshigaya Logistics Center	1	100.0	83	75	0.8	1	100.0	83	76	0.7
IIF Nishinomiya Logistics Center	2	100.0	(Note 3)	82	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	0.3
IIF Narashino Logistics Center II (Note 4)	2	100.0	(Note 3)	173	1.8	2	100.0	(Note 3)	168	1.6
IIF Atsugi Logistics Center II	1	100.0	(Note 3)	109	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)	80	0.8
IIF Saitama Logistics Center	1	100.0	67	62	0.6	1	100.0	67	60	0.6
IIF Nagoya Logistics Center	1	100.0	(Note 3)	45	0.5	1	100.0	(Note 3)	46	0.4
IIF Atsugi Logistics Center III (Note 5)	-	-	-	(8)	(0.1)	-	-	-	(6)	(0.1)
IIF Kawaguchi Logistics Center	1	100.0	(Note 3)	102	1.1	1	100.0	(Note 3)	107	1.0
IIF Kobe Logistics Center (Note 6)	1	18.1	(Note 3)	(39)	(0.4)	1	18.1	(Note 3)	(21)	(0.2)
IIF Higashi-Osaka Logistics Center	3	98.7	(Note 3)	89	0.9	2	100.0	(Note 3)	92	0.9
IIF Kashiwa Logistics Center	1	100.0	(Note 3)	82	0.8	1	100.0	(Note 3)	85	0.8
IIF Misato Logistics Center	1	100.0	(Note 3)	116	1.2	1	100.0	(Note 3)	116	1.1
IIF Iruma Logistics Center	1	100.0	(Note 3)	106	1.1	1	100.0	(Note 3)	105	1.0
IIF Tosu Logistics Center	2	100.0	(Note 3)	61	0.6	2	100.0	(Note 3)	60	0.6
IIF Morioka Logistics Center	1	100.0	(Note 3)	40	0.4	1	100.0	(Note 3)	42	0.4
IIF Hiroshima Logistics Center	1	100.0	(Note 3)	121	1.2	1	100.0	(Note 3)	120	1.1
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	111	1.1	1	100.0	(Note 3)	111	1.0
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 3)	27	0.3	1	100.0	(Note 3)	28	0.3
IIF Kyotanabe Logistics Center	1	100.0	(Note 3)	175	1.8	1	100.0	(Note 3)	165	1.5
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)	218	2.2	1	100.0	(Note 3)	216	2.0
IIF Kazo Logistics Center	1	100.0	(Note 3)	67	0.7	1	100.0	(Note 3)	67	0.6
IIF Hamura Logistics Center (Note 7)	-	-	-	(109)	(1.1)	-	-	-	(2)	0.0

Name of property	For the six months ended January 31, 2023					For the six months ended July 31, 2023				
	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 Fukuoka Hakozaki Logistics Center I	3	100.0	(Note 3)	123	1.3	3	100.0	(Note 3)	128	1.2
IIF Fukuoka Hakozaki Logistics Center II	4	100.0	(Note 3)	265	2.7	4	100.0	(Note 3)	267	2.5
IIF Itabashi Logistics Center	1	100.0	(Note 3)	38	0.4	1	100.0	(Note 3)	37	0.3
IIF Sendai Taiwa Logistics Center	1	100.0	(Note 3)	47	0.5	1	100.0	(Note 3)	47	0.4
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)	257	2.6	1	100.0	(Note 3)	256	2.4
IIF Osaka Suminoe Logistics Center II	1	100.0	(Note 3)	60	0.6	1	100.0	(Note 3)	60	0.6
IIF Morioka Logistics Center II	1	100.0	(Note 3)	35	0.4	1	100.0	(Note 3)	33	0.3
IIF Sapporo Logistics Center	1	100.0	(Note 3)	65	0.7	1	100.0	(Note 3)	64	0.6
IIF Koriyama Logistics Center	2	100.0	(Note 3)	96	1.0	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)	108	1.1	1	100.0	(Note 3)	106	1.0
IIF Akishima Logistics Center	1	100.0	(Note 3)	175	1.8	1	100.0	(Note 3)	174	1.6
IIF Gifu Kakamigahara Logistics Center	1	100.0	(Note 3)	72	0.7	1	100.0	(Note 3)	71	0.7
IIF Hiroshima Seifushinto Logistics Center	1	100.0	(Note 3)	156	1.6	1	100.0	(Note 3)	154	1.4
IIF Shonan Logistics Center	1	100.0	(Note 3)	181	1.9	1	100.0	(Note 3)	181	1.7
IIF Yokkaichi Logistics Center	3	100.0	(Note 3)	224	2.3	2	100.0	(Note 3)	254	2.4
IIF Shiga Ryuoh Logistics Center	-	-	-	-	-	1	100.0	(Note 3)	80	0.8
IIF Omiachiman Logistics Center	-	-	-	-	-	1	100.0	(Note 3)	43	0.4
IIF Totsuka Technology Center (Land with leasehold interest)	1	100.0	153	137	1.4	1	100.0	153	137	1.3
IIF Yokohama Tsuzuki Technology Center	1	100.0	60	43	0.4	1	100.0	60	40	0.4
IIF Mitaka Card Center	1	100.0	366	312	3.2	1	100.0	366	312	2.9
IIF Kamata R&D Center	1	100.0	(Note 3)	239	2.5	1	100.0	(Note 3)	232	2.2
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)	158	1.6	2	100.0	(Note 3)	149	1.4
IIF Yokohama Shinyamashita R&D Center	1	100.0	(Note 3)	104	1.1	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)	36	0.4	1	100.0	(Note 3)	36	0.3
IIF Yokosuka Technology Center	1	100.0	(Note 3)	139	1.4	1	100.0	(Note 3)	140	1.3
IIF Shonan Technology Center	1	100.0	(Note 3)	39	0.4	1	100.0	(Note 3)	40	0.4

Name of property	For the six months ended January 31, 2023					For the six months ended July 31, 2023				
	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
	(Note1)	(%)	(Millions of yen)	(Millions of yen) (Note2)	(%)	(Note1)	(%)	(Millions of yen)	(Millions of yen) (Note2)	(%)
IIF Totsuka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	57	0.6	1	100.0	(Note 3)	57	0.5
IIF Atsugi Manufacturing Center (Note 8)	2	100.0	(Note 3)	338	3.5	2	100.0	(Note 3)	344	3.2
IIF Shin-Kawasaki R&D Center	1	100.0	(Note 3)	234	2.4	1	100.0	(Note 3)	234	2.2
IIF Ichikawa Food Processing Center	2	100.0	(Note 3)	139	1.4	2	100.0	(Note 3)	138	1.3
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	1.8	1	100.0	(Note 3)	172	1.6
IIF Okazaki Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	95	1.0	1	100.0	(Note 3)	95	0.9
IIF Shonan Health Innovation Park	8	100.0	(Note 3)	419	4.3	8	100.0	(Note 3)	1,004	9.4
IIF Ichihara Manufacturing Center (Land with leasehold interest)	2	100.0	(Note 3)	455	4.7	2	100.0	(Note 3)	455	4.3
IIF Iruma Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	74	0.8	1	100.0	(Note 3)	72	0.7
IIF Tochigi Moka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	39	0.4	1	100.0	(Note 3)	36	0.3
IIF Hanno Manufacturing Center (land with leasehold interest)	-	-	-	-	-	1	100.0	(Note 3)	52	0.5
IIF Ota Manufacturing Center	-	-	-	-	-	1	100.0	(Note 3)	42	0.4
IIF Kobe District Heating and Cooling Center	4	100.0	332	312	3.2	4	100.0	332	307	2.9
IIF Haneda Airport Maintenance Center	1	100.0	1,505	982	10.1	1	100.0	1,519	982	9.2
IIF Shinagawa Data Center	1	100.0	(Note 3)	193	2.0	1	100.0	(Note 3)	188	1.8
IIF Osaka Toyonaka Data Center	1	100.0	(Note 3)	183	1.9	1	100.0	(Note 3)	186	1.7
IIF Osaka Nanko IT Solution Center	-	-	(Note 3)	(18)	(0.2)	-	-	-	-	-
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 Higashimatsuyama Gas Tank Maintenance Center (Land with leasehold interest)	1	100.0	(Note 3)	17	0.2	1	100.0	(Note 3)	17	0.2
Total	100	98.8	16,492	9,733	100.0	102	99.3	16,986	10,688	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. The demolition work was completed on July 21, 2022.

Note 6 The Investment Corporation sold 3% and 32% of quasi-co-ownership interest of IIF Kobe Logistics Center on April 7, 2023 and July 31, 2023, respectively. For the remaining quasi-co-ownership of interest of the property, the Investment Corporation is going to sell 40% on January 19, 2024 and 25% on March 22, 2024.

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. The demolition work was completed on January 19, 2023.

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 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, 2023 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

Name of property	Location	Purpose	Scheduled term for construction or maintenance	(Millions of yen)		
				Total	Estimated cost	
					Advanced payment	
					Payment for the six months ended July 31, 2023	Total of advanced payment
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (1st period)	September, 2024 to January, 2025	255	-	-
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (2nd period)	February, 2025 to April, 2025	255	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A building for B building (A43W area)	October, 2023 to March, 2024	250	0	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A3, B3 and C3 buildings	September, 2024 to June, 2025	250	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal of central monitoring equipment (1st period / 3 periods)	May, 2024 to June, 2025	204	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of industrial monitoring controller of A building	November, 2021 to August, 2023	167	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Repair of electrical substation equipment of A4 building	December, 2023 to December, 2024	160	-	-
IIF Shonan Health Innovation Park	Yokkaichi-shi, Mie	Changing of lightning equipment to LED at A2, B2 and C2 buildings	February, 2024 to June, 2024	131	-	-
IIF Yokohama Tsuzuki R&D Center	Yokohama-shi, Kanagawa	Construction for tenant leasing (office and common corridor)	July, 2024 to October, 2024	101	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Renewal of air conditioning system (1st period)	March, 2024 to June, 2024	100	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Renewal of air conditioning system (2nd period)	September, 2024 to December, 2024	100	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Repair of electrical substation equipment of A3 building	November, 2023 to January, 2025	92	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	April, 2023 to February, 2024	90	-	-
IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	Installation of solar power generation equipment	April, 2024 to May, 2024	82	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Repair of electrical substation equipment of A5 building	February, 2024 to February, 2025	80	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Repair of outer wall (1st period)	July, 2024 to January, 2025	76	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Repair of outer wall (2nd period)	November, 2024 to May, 2025	76	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A2, B2 and C2 buildings (Lightning control area)	February, 2024 to June, 2024	70	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (34th period_ Tenant occupancy)	October, 2023 to April, 2024	70	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (35th period_ Tenant occupancy)	April, 2024 to October, 2024	70	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (36th period_ Tenant occupancy)	October, 2024 to March, 2025	70	-	-
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Repair of outer wall	August, 2023 to November, 2023	69	-	0
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of high voltage cable (2nd period / 3 periods)	April, 2024 to December, 2024	65	-	-
IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Repair of outer wall (2nd period / 2 periods)	June, 2024 to October, 2024	62	-	-
IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No. 1 and 2)	September, 2023 to May, 2024	60	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	June, 2024 to February, 2025	60	-	-

(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 Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No.3 and 4)	June, 2023 to January, 2024	60	-	-
IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Repair of outer wall (1st period / 2 periods)	January, 2024 to May, 2024	59	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (33rd period_ Tenant occupancy)	May, 2023 to November, 2023	54	-	-
IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Renewal of turbo refrigerator (No.1)	October, 2024 to November, 2024	50	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of security system	July, 2024 to July, 2025	50	-	-

2. Capital expenditures for the six months ended July 31, 2023

Maintenance expenditures on property for the six months ended July 31, 2023 were totaling to ¥1,943 million consisting of ¥1,118 million of capital expenditures stated as below and ¥824 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 Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of central monitoring equipment	June, 2021 to July, 2023	176
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Repair of roof	June, 2023 to July, 2023	70
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of VCB for power generation equipment (No. 1)	June, 2023 to July, 2023	51
Other	-	-	-	819
Total				1,118