

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JANUARY 31, 2024

March 14, 2024

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:	April 25, 2024
Scheduled date for distributions payment:	April 18, 2024
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 January 31, 2024 (August 1, 2023 to January 31, 2024)**(1) Operating results**

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	18,167	1.8	8,185	-2.0	7,243	-2.4	7,242	-2.4
July 31, 2023	17,848	-0.5	8,354	20.4	7,419	24.9	7,419	24.9

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income
For the six months ended	Yen	%	%	%
January 31, 2024	3,426	3.7	1.7	39.9
July 31, 2023	3,530	3.9	1.7	41.6

(2) Distributions

	Distribution per unit			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
	(including distributions in excess of profit)	(excluding distributions in excess of profit)	in excess of profit					
For the six months ended	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen	%	%
January 31, 2024	3,434	3,428	6	7,257	7,245	12	100.0	3.7
July 31, 2023	3,282	3,282	-	6,936	6,936	-	93.5	3.6

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

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

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2024	441,839	195,997	44.4	92,735
July 31, 2023	433,409	195,690	45.2	92,590

(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
January 31, 2024	12,037	(10,729)	1,063	43,740
July 31, 2023	10,076	(14,035)	3,304	41,368

2. Outlook for the six months ending July 31, 2024 (February 1, 2024 to July 31, 2024) and January 31, 2025 (August 1, 2024 to January 31, 2025)

(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	%
July 31, 2024	20,089	15.0	9,729	18.9	8,371	15.6	8,369	15.6
January 31, 2025	20,948	0.3	9,960	2.4	8,487	1.4	8,485	1.4

	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
July 31, 2024	3,299	3,390	3,299	91
January 31, 2025	3,345	3,390	3,345	45

※ 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 January 31, 2024 2,113,516 units

As of July 31, 2023 2,113,516 units

Number of own investment units at the end of period:

As of January 31, 2024 0 units

As of July 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 31.

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 81 properties whose total acquisition price amounted to 397,962 million yen as of January 31, 2024.

ii. Investment environment and management performance

In the fiscal period (August 2023 to January 2024), there were also rising expectations for the future of the Japanese economy because the Japanese economy showed strong growth in domestic capital investment, with the Nikkei Stock Average breaking above 40,000 yen for the first time in March 2024 and reaching a record high, despite concerns about the macroeconomic impact of the Ukraine issue and the global election year in the US and elsewhere.

The real estate trading market remains steady due to the solid economic environment and the Bank of Japan's monetary easing measures. The acquisition environment remains challenging, with expected yields on property prices remaining low against a favorable financing environment and expectations of higher property prices.

Meanwhile, 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 due to future changes in the Bank of Japan's monetary policy.

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, as the first CRE carve-out project in collaboration with KKR, IIF acquired three properties, IIF Kawasaki Port Tank Terminal (land with leasehold interest), IIF Shizuoka Oigawa Port Tank Terminal (land with leasehold interest), IIF Kitakyushu Moji Port Tank Terminal (land with leasehold interest), on December 11, 2023, and acquired IIF Atsugi Logistics Center III (redevelopment) on December 25, 2023. Furthermore, IIF disposed of 40% of its co-ownership interest in IIF Kobe Logistics Center on January 19, 2024, and realized a gain on sales of real estate in the amount of 999 million yen.

As a result, assets held by IIF as of January 31, 2024, totaled 397,962 million yen, including 81 properties (48 logistics facilities, 24 manufacturing and R&D facilities, and 9 infrastructure facilities). As of January 31, 2024, the average occupancy rate was 99.7% and IIF keeps high occupancy conditions.

iii. Funding

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

a) Debt Financing

As for funding of interest-bearing debt for this fiscal period, IIF newly borrowed 8,000 million yen of

long-term borrowings (average maturity period: 9.0 year) on December 11, 2023 to allocate the proceeds to acquire new properties.

In addition, IIF borrowed 500 million yen of long-term borrowings (maturity period: 10.0years) on August 4, 2023, 1,000 million yen of long-term borrowing (maturity period: 8.0 years) on September 28, 2023, 7,500 million yen of long-term borrowing (average maturity period: 4.8 years) on October 18, 2023, 2,000 million yen of long-term borrowings (average maturity period: 9.9 years) on December 26, 2023, 2,000 million yen of long-term borrowing (maturity period: 9.9 years) on December 29, 2023, 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 January 31, 2024 is 220,283 million yen, which is comprised of 202,583 million yen in long-term borrowings (including long-term borrowings to be repaid within one year), 3,000 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).

b) Equity Financing

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

iv. Overview of financial results and distributions

As a result of the above management activities, IIF recorded operating revenue of 18,167 million yen, operating income of 8,185 million yen, ordinary income of 7,243 million yen, and net income of 7,242 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 7,245,132,848 yen, which was all profit (including deferred gains or losses on hedges) 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 3,428 yen.

In addition, considering the impact of the tax discrepancy in excess of income and net asset deduction items on the distribution amount, IIF updated accounting estimate for impairment loss of IIF Yokohama Tsuzuki R&D Center and decided to make a distribution in excess of earnings in an amount to be determined by IIF, and for this fiscal period, decided to distribute 12,681,096 yen as a distribution in excess of earnings per unit, excluding fractions of less than one yen, which was calculated as an amount equivalent to the tax discrepancy in excess of income, as the distribution amount for the temporary difference adjustment allowance, resulting in a distribution in excess of earnings per unit of 6 yen revised from 12 yen of distribution in excess of earnings per unit estimated in the press release titled "Notice Concerning Revised Forecast & Distributions for the Jan. 2024 FP and the July 2024 FP, and Forecast & Distributions for the Jan. 2025 FP" dated February 15, 2024.

In further to this, 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 January 31, 2024, 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 40% of its co-ownership interest in IIF Kobe Logistics Center, which was disposed on January 19, 2024. As a result of the above, distribution per unit for the period stood at 3,434 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 category while avoiding price competition using our experience, expertise, and networks in both CRE and PRE areas. By aiming to further increase the property acquisitions of new asset category properties and the development of CRE needs, we will evolve our unique CRE proposal-based business model.

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

b) Internal growth

As of January 31, 2024, IIF's portfolio consisted of 81 properties for a total acquisition price of 397,962

million yen.

The average occupancy rate as of the end of the period stands at 99.7%. The properties are managed under long-term lease contracts with an average remaining lease period of 10.2 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, through continued careful management of tenants with expiring contracts, IIF has been able to re-sign expiring tenants with an increase in rent, and to increase rents within the term of the contract. In addition, IIF is also focusing on cost reduction, such as pass-through as a response to the recent soaring utility costs.

Furthermore, a redevelopment project at IIF Atsugi Logistics Center III (redevelopment) was completed on schedule on December 25, 2023, and 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 as planned. 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

a) Issuance of New Investment Units

At the meetings of the Board of Directors held on February 15, 2024 and February 21, 2024, the issuance of new investment units was resolved as follows. Payment for the Issuance of new investment units through public offering was completed on February 28, 2024.

Issuance conditions are described below.

As a result of the issuance, unitholders’ capital increased to ¥236,304,724,469(the amount of unitholders' capital less unitholders' capital deduction is shown. The deduction of unitholders' capital in connection with the distribution in excess of profit related to the allowance for temporary difference adjustment is not taken into account.)and number of investment units issued and outstanding increased to 2,523,125 units on February 28, 2024.

Due to the secondary offering by way of an over-allotment, payment for the issuance of new investment units through third-party allotment is scheduled on March 26, 2024.

[Issuance of New Investment Units through Public Offering]

Number of new investment units	: 409,609 units
Issue price (Offer price)	: per unit 119,047 yen
Total issue price (Total offer price)	: 48,762,722,623 yen
Amount to be paid in (Issue value)	: per unit 115,384 yen
Total amount to be paid in (Total issue value)	: 47,262,324,856 yen
Payment date	: February 28, 2024
Dividend start date	: February 1, 2024

[Issuance of New Investment Units through Third-Party Allotment]

Number of new investment units	: 13,091 units
Issue price (Offer price)	: per unit 115,384 yen
Total issue price (Total offer price) (Maximum)	: 1,510,491,944 yen
Payment date	: March 26, 2024
Dividend start date	: February 1, 2024
Allottee	: SMBC Nikko Securities Inc.

There may be cases where there will be no subscription for the IIF Investment Units offered in the Third-Party Allotment in whole or in part, and the final number of IIF Investment Units placed under the Third-Party Allotment may accordingly decrease to that extent due to forfeiture, or such allotment itself may not take place at all.

[Use of Funds]

The funds by this offering will be allocated to a part of the funds to acquire new specified properties (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations). The funds for the third-party allotment will be allocated to part of the funds for future acquisition of specified assets or part of the funds for repayment of borrowings.

b) The forecasts of operating status

The forecasts of operating status for the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) are operating revenue of 20,889 million yen, ordinary income of 8,371 million yen, net income of 8,369 million yen and distributions per unit of 3,390 yen (including a distribution per unit in excess of profit of 91 yen). For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 34th Fiscal Period (February 1, 2024 to July 31, 2024) and the 35th Fiscal Period (August 1, 2024 to January 31, 2025)”.

The main changes from the 33rd Fiscal Period (August 1, 2023 to January 31, 2024) include the following.

Operating revenue (increase of 2,722 million yen from the previous fiscal period)

- Increase in rent revenue from three properties acquired in the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) (full contribution) and 28 properties acquired in the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) (partial contribution)
- Increase in distribution of profits and losses from equity interests in silent partnerships with four trust beneficiary rights in domestic real estate as the underlying assets, which IIF acquired in the fiscal period

ending July 31, 2024 (February 1, 2024 to July 31, 2024) (at the end of each calculation period defined in the silent partnership agreement, the profits or losses corresponding to the relevant calculation period will be distributed to each investor in proportion to their investment as at the end of each calculation period). (partial contribution)

- Gain on sale from the disposition of IIF Totsuka Technology Center (land with leasehold interests) (co-ownership interest of 30%) scheduled to be disposed of in the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024)
- The difference between the gain on sale of the IIF Kobe Logistics Center (co-ownership interests of 40% and 32%) disposed of in the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) and that of the IIF Kobe Logistics Center (co-ownership interests of 25%) to be disposed of in the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024).

Operating expense (increase of 1,178 million yen from the previous fiscal period)

- Increase in rental expenses for three properties acquired in the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) (full contribution) and 28 properties acquired in the fiscal period ending July 31, 2024 (February 1, 2024 to July 31, 2024) (partial contribution)
- Diminished impairment loss on IIF Yokohama Tsuzuki R&D Center recorded in the period ending January 31, 2024 (August 1, 2023 to January 31, 2024)

(Reference)

The forecasts of operating status for the fiscal period ending January 31, 2025 (August 1, 2024 to January 31, 2024) are operating revenue of 20,948 million yen, ordinary income of 8,487 million yen, net income of 8,485 million yen and distributions per unit of 3,390 yen (including a distribution per unit in excess of profit of 45 yen). For the assumptions regarding these forecasts, refer to the following “Earnings Forecast Assumptions for the 34th Fiscal Period (February 1, 2024 to July 31, 2024) and the 35th Fiscal Period (August 1, 2024 to January 31, 2025)”.

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 34th Fiscal Period (February 1, 2024 to July 31, 2024) and the 35th Fiscal Period (August 1, 2024 to January 31, 2025)

Item	Assumption	
Accounting period	34th Fiscal Period From February 1, 2024 to July 31, 2024 (182 days) 35th Fiscal Period From August 1, 2024 to January 31, 2025 (184 days)	
Assets owned	In addition to the real estate and real estate trust beneficiary rights for the 81 properties owned by IIF as of January 31, 2024, it is assumed that IIF acquires the following Anticipated Acquisitions, including both real estate trust beneficiary rights and equity interest in a silent partnership, and disposes the following Anticipated Dispositions. IIF has concluded the purchase and sale agreement as well as the silent partnership agreement concerning all of the following Anticipated Acquisitions and Anticipated Dispositions, and each acquisition and disposition date is as follows.	
	<Properties Acquired (Real Estate Trust Beneficiary Rights)>	
	IIF Kitakyushu Logistics Center I	Acquired on March 4, 2024
	IIF Kitakyushu Logistics Center II	Acquired on March 4, 2024
	IIF Kitakyushu Logistics Center III	Acquired on March 4, 2024
	IIF Fukuoka Hisayama Logistics Center	Acquired on March 4, 2024
	IIF Tosu Logistics Center II	Acquired on March 4, 2024
	IIF Toyohashi Logistics Center	Acquired on March 4, 2024
	IIF Komaki Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Kasugai Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Sapporo Kitahiroshima Logistics Center	Acquired on March 4, 2024
	IIF Sapporo Logistics Center II	Acquired on March 4, 2024
	IIF Sendai Logistics Center	Acquired on March 4, 2024
	IIF Sendai Iwanuma Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Tsukuba Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Musashimurayama Logistics Center II	Acquired on March 4, 2024
	IIF Shonan Logistics Center II (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Tsuchiura Logistics Center	Acquired on March 4, 2024
	IIF Hadano Logistics Center	Acquired on March 4, 2024
	IIF Yokohama Sachiura Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Narashino Logistics Center III (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Higashimatsuyama Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Yokosuka Logistics Center	Acquired on March 4, 2024
	IIF Sagamihara Logistics Center (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Sakura Logistics Center	Acquired on March 4, 2024
	IIF Hyogo Sanda Logistics Center I (Land with leasehold interest)	Acquired on March 4, 2024
	IIF Osaka Konohana Logistics Center II (Land with leasehold interest)	Acquired on March 4, 2024
IIF Osaka Ibaraki Logistics Center	Acquired on March 4, 2024	
IIF Shiga Otsu Logistics Center	Acquired on March 4, 2024	
IIF Toyama Logistics Center	Acquired on March 4, 2024	

	<p><Equity Interest Acquired (Equity Interest in a Silent Partnership)></p> <table border="1" data-bbox="459 264 1418 331"> <tr> <td data-bbox="459 264 1098 331">Equity Interest in a Silent Partnership (HK Logistics Godo Kaisha)</td> <td data-bbox="1098 264 1418 331">Acquired on February 29, 2024</td> </tr> </table> <p><Anticipated Dispositions (Real Estate Trust Beneficiary Rights)></p> <table border="1" data-bbox="459 398 1418 663"> <tr> <td data-bbox="459 398 1098 465">IIF Yokohama Tsuzuki R&D Center</td> <td data-bbox="1098 398 1418 465">Disposed on February 29, 2024</td> </tr> <tr> <td data-bbox="459 465 1098 533">IIF Kobe Logistics Center <i>(25% co-ownership interest)</i></td> <td data-bbox="1098 465 1418 533">Anticipated to be disposed on March 22, 2024</td> </tr> <tr> <td data-bbox="459 533 1098 600">IIF Totsuka Technology Center (Land with leasehold Interest) <i>(30% co-ownership interest)</i></td> <td data-bbox="1098 533 1418 600">Anticipated to be disposed on March 29, 2024</td> </tr> <tr> <td data-bbox="459 600 1098 663">IIF Totsuka Technology Center (Land with leasehold Interest) <i>(35% co-ownership interest)</i></td> <td data-bbox="1098 600 1418 663">Anticipated to be disposed on November 29, 2024</td> </tr> </table> <p>It is assumed that there will be no changes in the properties, except the Anticipated Acquisitions and the Anticipated Dispositions stated above, until the end of January 2025; however, changes may occur due to the acquisition or disposition of other properties, etc. in actual.</p>	Equity Interest in a Silent Partnership (HK Logistics Godo Kaisha)	Acquired on February 29, 2024	IIF Yokohama Tsuzuki R&D Center	Disposed on February 29, 2024	IIF Kobe Logistics Center <i>(25% co-ownership interest)</i>	Anticipated to be disposed on March 22, 2024	IIF Totsuka Technology Center (Land with leasehold Interest) <i>(30% co-ownership interest)</i>	Anticipated to be disposed on March 29, 2024	IIF Totsuka Technology Center (Land with leasehold Interest) <i>(35% co-ownership interest)</i>	Anticipated to be disposed on November 29, 2024
Equity Interest in a Silent Partnership (HK Logistics Godo Kaisha)	Acquired on February 29, 2024										
IIF Yokohama Tsuzuki R&D Center	Disposed on February 29, 2024										
IIF Kobe Logistics Center <i>(25% co-ownership interest)</i>	Anticipated to be disposed on March 22, 2024										
IIF Totsuka Technology Center (Land with leasehold Interest) <i>(30% co-ownership interest)</i>	Anticipated to be disposed on March 29, 2024										
IIF Totsuka Technology Center (Land with leasehold Interest) <i>(35% co-ownership interest)</i>	Anticipated to be disposed on November 29, 2024										
Interest-bearing debt	<p>The total amount of interest-bearing debt as of January 31, 2024 is 220,283 million yen, consisting of long-term debts (including those loans that will become due within one year) of 202,583 million yen, short-term debts of 3,000 million yen and investment corporation bonds (including those that will be redeemed within one year) of 14,700 million yen.</p> <p>With regard to the long-term debts of 8,000 million yen, short-term debts of 3,000 million yen and investment corporation bonds of 2,000 million yen scheduled to mature during the 34th fiscal period, and the long-term debts of 11,800 million yen scheduled to mature during the 35th fiscal period, IIF plans to refinance them for the same amount of long-term debts, etc.</p> <p>In addition, it is assumed that IIF implements long-term debts and short-term debts financing in the amount of 62,000 million yen in total for the purpose of acquiring the Anticipated Acquisitions (Real Estate Trust Beneficiary Rights), as mentioned above in “Assets owned”, on February 29, 2024.</p> <p>As a result, it is assumed that the total amount of interest-bearing debt as of the end of July 2024 and January 2025 is both 282,283 million yen.</p>										

Item	Assumption		
Operating revenues	<p>Regarding the 34th and 35th fiscal periods, IIF has estimated the rent revenue taking into consideration the market environment, characteristics of individual properties, competitiveness of properties and status of individual tenants including plans to vacate, etc. based on effective lease agreements during the 34th fiscal period and the 35th fiscal period. It is assumed that there is no arrears or non-payments of rent during the 34th fiscal period and the 35th fiscal period based on the assumptions described in “Assets owned” above.</p> <p>In addition, with regard to the following one property that is currently undergoing redevelopment project, the following assumption apply.</p> <table border="1" data-bbox="459 472 1377 573"> <tr> <td data-bbox="459 472 868 573">IIF Hamura Logistics Center</td> <td data-bbox="868 472 1377 573">Assumption that no rental income will be generated until the end of the 35th fiscal period</td> </tr> </table> <p>In addition, it is assumed that the gain on sales from the Anticipated Dispositions is approximately 1,417 million yen in the 34th fiscal period and approximately 997 million yen in the 35th fiscal period.</p>	IIF Hamura Logistics Center	Assumption that no rental income will be generated until the end of the 35th fiscal period
IIF Hamura Logistics Center	Assumption that no rental income will be generated until the end of the 35th fiscal period		
Operating expenses	<p>Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 34th fiscal period are forecasted to be approximately 1,434 million yen and approximately 929 million yen, respectively. Fixed property tax, city planning tax and depreciable property tax, and repair costs in the 35th fiscal period are forecasted to be approximately 1,453 million yen and approximately 888 million yen, respectively.</p> <p>Fixed property tax and city planning tax etc., which are to be 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 to be recorded as expenses from the following year. Accordingly, fixed property tax, city planning tax, and depreciable property tax relating to the Anticipated Acquisitions (Real Estate Trust Beneficiary Rights) as described in the above “Assets owned” will be recorded as expenses from the 36th fiscal period.</p> <p>Depreciations including ancillary expenses for the 34th fiscal period and the 35th fiscal period are calculated based on the straight-line method and are estimated to be approximately 2,822 million yen, and 2,557 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>Based on the assumptions of “Interest-bearing debt” stated above, it is assumed that the non-operating expenses (the interest expenses, other debt-related expenses, etc.) for the 34th fiscal period and for the 35th fiscal period are to be approximately 1,358 million yen, and 1,473 million yen, respectively.</p> <p>It is assumed that the amortization of the cost concerning the issuance of new investment units for the, 34th fiscal period and for the 35th fiscal period is approximately 45 million yen, and 45 million yen respectively.</p>		
Extraordinary gain or loss	No extraordinary gain or loss is expected for 34th and for 35th fiscal periods.		

Item	Assumption
Issue of units	Regarding the 34th and 35th fiscal periods, it is assumed that full issuance of 422,700 new investment units, consisting of up to 409,609 units through the public offering and up to 13,091 units through the third-party allotment, each of which was determined at the board of directors meeting held on February 15, 2024, in addition to 2,113,516 investment units outstanding as of February 15, 2024.
Distributions per unit (excluding distributions in excess of retained earnings per unit)	It is assumed that net income excluding amounts less than 1 yen per unit is distributed in its entirety.
Distributions in excess of retained earnings per unit (allowance for temporary difference adjustments)	<p>The taxable income in excess of accounting income for the 34th fiscal period and for the 35th fiscal period is assumed as follows, respectively.</p> <p>For the 34th fiscal period and the 35th fiscal period, taxable income will exceed accounting income as a whole, leading to a tax discrepancy, and it is thus assumed that distribution in excess of retained earnings per unit (allowance for temporary difference adjustments) is made.</p> <p>(The 34th fiscal period)</p> <p>The reversal of allowance for temporary differences (approximately 233 million yen) is calculated as the amount of tax discrepancy in the 34th fiscal period that arises from interest costs and depreciation, etc. for asset retirement obligations regarding removal of asbestos from IIF's assets and depreciation from changes in the useful life of existing building for IIF Narashino Logistics Center II, assuming the implementation of redevelopment project at IIF Narashino Logistics Center II. (Note that the redevelopment for IIF Narashino Logistics Center II is currently at a planning stage, and the redevelopment has not been decided, nor has IIF decided to acquire the building after the redevelopment as of February 15, 2024. The same will apply hereinafter), subtracted with the reversal of allowance for temporary differences that will arise from the partial resolution of the tax discrepancy at IIF Yokohama Tsuzuki R&D Center.</p> <p>(The 35th fiscal period)</p> <p>The reversal of allowance for temporary differences (approximately 115 million yen) is calculated as the amount of the tax discrepancy in the 35th fiscal period that arises from interest costs and depreciation, etc. the asset retirement obligation regarding removal of asbestos from IIF's assets and depreciation from changes in the useful life of existing building for IIF Narashino Logistics Center II, assuming the implementation of redevelopment project at IIF Narashino Logistics Center II.</p>

Item	Assumption
Distributions in excess of retained earnings per unit (distribution with decrease in investment capital under tax law)	<p>In the 34th fiscal period, as the amount from the gain on the sales of real estate, etc. (558 yen per unit) will exceed the estimated amount of distributions in excess of earnings (distribution with a decrease in investment under tax laws) of 136 yen per unit based on (1) and (2) below, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), in the event that the amount of distributions per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit (118 yen per unit)</p> <ul style="list-style-type: none"> • Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Hamura Logistics Center (7 yen per unit) • Increase in utility cost (after offsetting revenue from tenants, etc.) and repair cost in association with renovation works on vacant lots at IIF Shonan Health Innovation Park (110 yen per unit) <p>(2) In accordance with the policy of continuous 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 assets owned as of the end of the 34th fiscal period, the policy shall be to distribute an amount determined by IIF up to 30% of the depreciation of the relevant operation period for such properties as cash in excess of profits, in principle, continuously for each fiscal period, and it is assumed that continuous distributions in excess of profits for the properties acquired as follows will be made (18 yen per unit)</p> <ul style="list-style-type: none"> • IIF Yokkaichi Logistics Center (New building) (8 yen per unit) • IIF Shiga Ryuoh Logistics Center (3 yen per unit) • IIF Atsugi Logistics Center III (4 yen per unit) • IIF Sakura Logistics Center (0 yen per unit) • IIF Shiga Otsu Logistics Center (0 yen per unit)
	<p>In the 35th fiscal period, as the amount from the gain on the sales of real estate, etc. (393 yen per unit) will exceed the estimated amount of distributions in excess of earnings (distribution with a decrease in investment under tax laws) of 177 yen per unit based on (1) and (2) below, it is assumed that the distribution in excess of earnings (distribution with a decrease in investment under tax laws) is not made.</p> <p>(1) In accordance with the policy of optimal payable distribution (*), in the event that the amount of distributions per unit is expected to temporarily decrease by a certain degree, it is assumed that optimal payable distribution is made in order to mitigate the impact on distribution below for the purpose of stabilizing the distribution amount per unit (159 yen per unit)</p> <ul style="list-style-type: none"> • Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Hamura Logistics Center (7 yen per unit) • Increase in utility cost (after offsetting revenue from tenants, etc.) and repair cost in association with renovation works on vacant lots at IIF Shonan Health Innovation Park (88 yen per unit) • Decrease in rent revenue, etc. due to the implementation of redevelopment project at IIF Narashino Logistics Center II (63 yen per unit) <p>(2) In accordance with the policy of continuous 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 assets owned as of the end of the 35th fiscal period, the policy shall be to distribute an amount determined by</p>

	<p>IIF up to 30% of the depreciation of the relevant operation period for such properties as cash in excess of profits, in principle, continuously for each fiscal period, and it is assumed that continuous distributions in excess of profits for the properties acquired as follows will be made (18 yen per unit)</p> <ul style="list-style-type: none"> • IIF Yokkaichi Logistics Center (New building) (8 yen per unit) • IIF Shiga Ryuoh Logistics Center (3 yen per unit) • IIF Atsugi Logistics Center III (4 yen per unit) • IIF Sakura Logistics Center (0 yen per unit) • IIF Shiga Otsu Logistics Center (0 yen per unit) <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 Continuous Surplus Cash Distribution and (B) Policy regarding Optimal Payable Distribution” on the latest securities report (submitted on October 26, 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)
IIF Narashino Logistics Center I (Building)	34-9, Akanehama 3-chome, Narashino-shi, Chiba, Japan	Logistics Facilities	5,126	6,170

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

- ” Notice Concerning Acquisition and Leasing of Real Estate Trust Beneficiary Right 【IIF Narashino Logistics Center I (New Building)】 ” dated August 30, 2023.
- The appraisal value of IIF Narashino Logistics Center I (Building) is the appraisal value as of January 31, 2024.

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

Name of property	Location	Type
IIF Yokohama Tsuzuki R&D Center	9-2, Ushikubo 3-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Manufacturing ・ R&D Facilities, etc.
IIF Kobe Logistics Center	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo, Japan, and others	Logistics Facilities
IIF Totsuka Technology Center (Land with leasehold Interest)	344-1, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, Japan, and others	Manufacturing ・ R&D Facilities, etc.

(Note) For the details of the property disposed or to be disposed, please refer “Notice Concerning Disposition of Two Properties in Japan 【IIF Totsuka Technology Center (Land with leasehold interest) and IIF Yokohama Tsuzuki R&D Center】 ” dated February 15, 2024.

(2) Investment risk

There are no significant changes of "Investment Risks" from the latest securities report (submitted on October 26, 2023) and securities registration statement (submitted on February 15, 2024), so the disclosure of these matters is omitted.

2. Financial information

(1) Balance sheets

	(Thousands of yen)	
	As of	
	July 31, 2023	January 31, 2024
ASSETS		
Current assets:		
Cash and bank deposits	35,313,041	36,257,204
Cash and bank deposits in trust	6,055,811	7,483,671
Rental receivables	962,812	858,107
Prepaid expenses	1,922,130	1,160,315
Income taxes receivable	8	-
Other	6,503	17,654
Total current assets	44,260,307	45,776,953
Noncurrent assets:		
Property, plant and equipment:		
Buildings, at cost	35,561,297	35,871,780
Less: Accumulated depreciation	(10,486,104)	(10,935,117)
Buildings, net	25,075,192	24,936,662
Structures, at cost	123,482	123,482
Less: Accumulated depreciation	(64,089)	(68,505)
Structures, net	59,393	54,977
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	(15,614)	(16,862)
Tools, furniture and fixtures, net	11,104	9,857
Land	20,391,344	20,343,077
Construction in progress	2,105,502	964,879
Buildings in trust, at cost	111,123,286	114,003,768
Less: Accumulated depreciation	(20,917,421)	(22,265,012)
Buildings in trust, net	90,205,864	91,738,756
Structures in trust, at cost	1,485,196	1,660,734
Less: Accumulated depreciation	(685,227)	(742,285)
Structures in trust, net	799,968	918,448
Machinery and equipment in trust, at cost	132,642	149,122
Less: Accumulated depreciation	(77,135)	(84,434)
Machinery and equipment in trust, net	55,506	64,687
Tools, furniture and fixtures in trust, at cost	330,782	350,658
Less: Accumulated depreciation	(83,987)	(105,317)
Tools, furniture and fixtures in trust, net	246,795	245,341
Land in trust	228,823,627	235,280,807
Construction in progress in trust	9,830	21,335
Total net property, plant and equipment	367,784,130	374,578,832
Intangible assets:		
Leasehold right (Note 1)	19,833,966	19,833,966
Other	2,027	798
Total intangible assets	19,835,993	19,834,764
Investments and other assets:		
Shares of subsidiaries and associates	356,826	356,826
Lease and guarantee deposits	10,200	14,700
Long-term prepaid expenses	1,034,723	1,164,145
Other	5,515	6,384
Total investments and other assets	1,407,264	1,542,056
Total noncurrent assets	389,027,389	395,955,653
Deferred assets:		
Investment unit issuance costs	42,461	34,243
Investment corporation bonds issuance costs	79,321	72,724
Total deferred assets	121,783	106,967
TOTAL ASSETS	433,409,480	441,839,574

(Thousands of yen)

	As of	
	July 31, 2023	January 31, 2024
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,386,496	1,517,270
Short-term loans payable	5,000,000	3,000,000
Current portion of investment corporation bonds – unsecured	2,000,000	2,000,000
Current portion of long-term loans payable	19,000,000	19,800,000
Accounts payable – other	840,410	818,923
Accrued expenses	138,329	153,769
Income taxes payable	615	662
Consumption taxes payable	295,472	333,684
Advances received	3,420,346	2,952,691
Other	231,089	11,360
Total current liabilities	32,312,760	30,588,362
Noncurrent liabilities:		
Investment corporation bonds – unsecured	12,700,000	12,700,000
Long-term loans payable	173,583,000	182,783,000
Tenant leasehold and security deposits	2,640,473	2,602,985
Tenant leasehold and security deposits in trust	15,640,423	15,870,612
Asset retirement obligations	839,807	1,295,879
Other	2,428	903
Total noncurrent liabilities	205,406,132	215,253,381
TOTAL LIABILITIES	237,718,893	245,841,743
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	189,683,850	189,683,850
Capital deduction:		
Allowance for temporary difference adjustment (Note 2)	(781,924)	(290,636)
Other deduction of unitholders' capital	(641,451)	(641,451)
Total capital deduction	(1,423,376)	(932,087)
Unitholders' capital, net	188,260,474	188,751,762
Surplus:		
Retained earnings	7,428,646	7,243,732
Total surplus	7,428,646	7,243,732
Total unitholders' equity	195,689,121	195,995,495
Valuation and translation adjustments:		
Deferred gains or (losses) on hedges	1,465	2,334
Total valuation and translation adjustments	1,465	2,334
TOTAL NET ASSETS (Note 3)	195,690,586	195,997,830
TOTAL LIABILITIES AND NET ASSETS	433,409,480	441,839,574

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	
	July 31, 2023	January 31, 2024
Operating revenue		
Rent revenue—real estate (Note 4)	16,986,729	17,167,955
Gain on sales of property (Note 5)	861,327	999,540
Dividend income from investments in Tokumei Kumiai	5	-
Total operating revenue	17,848,062	18,167,495
Operating expenses		
Expenses related to property rental business (Note 4)	8,008,188	8,260,187
Impairment losses (Note 6)	-	185,164
Asset management fees	1,284,797	1,323,668
Directors' compensations	7,440	7,440
Asset custody fees	9,585	9,737
Administrative service fees	39,199	42,115
Other	143,893	154,071
Total operating expenses	9,493,104	9,982,384
Operating income	8,354,958	8,185,111
Non-operating income		
Interest income	208	191
Interest on refund	717	-
Reversal of distribution payable	504	237
Total non-operating income	1,430	429
Non-operating expenses		
Interest expenses	652,746	666,291
Interest expenses on investment corporation bonds	42,106	42,512
Amortization of investment corporation bonds issuance costs	6,597	6,597
Borrowing related expenses	211,228	215,048
Amortization of investment unit issuance costs	20,736	8,218
Other	3,172	3,246
Total non-operating expenses	936,587	941,914
Ordinary income	7,419,800	7,243,626
Income before income taxes	7,419,800	7,243,626
Income taxes		
Current	639	692
Total income taxes	639	692
Net income	7,419,161	7,242,933
Retained earnings brought forward	9,485	798
Unappropriated retained earnings	7,428,646	7,243,732

(3) Statements of changes in net assets

(Thousands of yen)

	Unitholders' equity							Valuation and translation adjustments			
	Unitholders' capital				Surplus			Total unitholders' equity	Deferred gains or (losses) on hedges	Total valuation and translation adjustments	Total net assets
	Unitholders' capital (Note 3)	Capital deduction		Total capital deduction	Unitholders' capital, net	Retained earnings	Total surplus				
		Allowance for temporary difference adjustment	Other deduction of unitholders' capital								
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
<u>Changes during the period</u>											
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
<u>Total changes during the period</u>	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
<u>Changes during the period</u>											
Dividends from surplus	-	-	-	-	-	(6,936,559)	(6,936,559)	(6,936,559)	-	-	(6,936,559)
Reversal of allowance for temporary difference adjustment	-	491,288	-	491,288	491,288	(491,288)	(491,288)	-	-	-	-
Net income	-	-	-	-	-	7,242,933	7,242,933	7,242,933	-	-	7,242,933
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	869	869	869
<u>Total changes during the period</u>	-	491,288	-	491,288	491,288	(184,913)	(184,913)	306,374	869	869	307,243
Balance as of January 31, 2024	189,683,850	(290,636)	(641,451)	(932,087)	188,751,762	7,243,732	7,243,732	195,995,495	2,334	2,334	195,997,830

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	
	July 31, 2023	January 31, 2024
I Unappropriated retained earnings	7,428,646,415	7,243,732,532
II Distributions in excess of profit	-	12,681,096
Allowance for temporary difference adjustment	-	12,681,096
III Capitalization	491,288,193	-
Reversal of allowance for temporary difference adjustment	491,288,193	-
IV Cash distribution declared	6,936,559,512	7,257,813,944
<i>(Cash distribution declared per unit)</i>	<i>(3,282)</i>	<i>(3,434)</i>
Profit distributions	6,936,559,512	7,245,132,848
<i>(Profit distributions per unit)</i>	<i>(3,282)</i>	<i>(3,428)</i>
Allowance for temporary difference adjustment	-	12,681,096
<i>(Distribution per unit in excess of profit from allowance for temporary difference adjustment)</i>	<i>(-)</i>	<i>(6)</i>
V Retained earnings (deficit) carried forward	798,710	(1,400,316)

Note:

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 were ¥6,936,559,512.

For the six months ended January 31, 2024:

Cash distributions declared for the six months ended January 31, 2024 were ¥7,257,813,944.

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, 2024 were ¥7,245,132,848 which were all of profit (including deferred gains or losses on hedges) as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and 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 and items deducted from net assets. For the six months ended January 31, 2024, the Investment Corporation declared ¥12,681,096 of distributions in excess of profit equivalent to allowance for temporary difference adjustment which are corresponding to differences between net income and taxable income, except for fractional distribution per unit less than one yen.

Furthermore, 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 January 31, 2024, considering the level of profit distributions contributed by gain on sales of property.

As a result, cash distributions declared for the six months ended January 31, 2024 were ¥7,257,813,944.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	July 31, 2023	January 31, 2024
Net cash provided by (used in) operating activities:		
Income before income taxes	7,419,800	7,243,626
Depreciation and amortization	1,709,572	2,106,678
Amortization of investment corporation bonds issuance costs	6,597	6,597
Amortization of investment unit issuance costs	20,736	8,218
Impairment losses	-	185,164
Interest income	(208)	(191)
Interest expenses	694,852	708,803
Changes in assets and liabilities:		
Decrease (increase) in operating accounts receivable	(502,082)	104,705
Decrease (increase) in consumption taxes refundable	231,481	-
Decrease (increase) in prepaid expenses	(1,067,707)	761,814
Decrease (increase) in long-term prepaid expenses	63,941	(129,422)
Increase (decrease) in operating accounts payable	(482,327)	28,951
Increase (decrease) in accounts payable - other	35,184	4,478
Increase (decrease) in accrued expenses	(1,257)	868
Increase (decrease) in consumption taxes payable	295,472	38,212
Increase (decrease) in advances received	478,350	(467,654)
Increase (decrease) in other noncurrent liabilities	(640)	(1,524)
Decrease from sales of property and equipment in trust	1,995,548	2,267,649
Other, net	(116,021)	(135,101)
Subtotal	10,781,294	12,731,872
Interest income received	208	191
Interest expenses paid	(703,776)	(694,232)
Income taxes paid	(1,546)	(635)
Net cash provided by operating activities	10,076,179	12,037,194
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(386,687)	(783,602)
Purchases of property, plant and equipment in trust	(13,793,903)	(10,133,642)
Proceeds from tenant leasehold and security deposits	10,058	3,912
Payments of tenant leasehold and security deposits	-	(41,400)
Proceeds from tenant leasehold and security deposits in trust	501,498	346,083
Payments of tenant leasehold and security deposits in trust	(91,539)	(115,894)
Payments for lease and guarantee deposits	-	(4,500)
Purchase of shares of subsidiaries and associates	(356,826)	-
Proceeds from investment securities	81,818	-
Net cash used in investing activities	(14,035,580)	(10,729,042)
Net cash provided by (used in) financing activities:		
Proceeds from short-term loans payable	3,000,000	-
Repayments of short-term loans payable	(1,700,000)	(2,000,000)
Proceeds from long-term loans payable	12,800,000	21,000,000
Repayments of long-term loans payable	(10,100,000)	(11,000,000)
Payments of investment corporation bonds issuance costs	(2,800)	-
Proceeds from issuance of investment units	5,818,647	-
Payments of investment unit issuance costs	(49,310)	-
Dividends paid	(6,462,404)	(6,936,128)
Net cash provided by financing activities	3,304,132	1,063,871
Net change in cash and cash equivalents	(655,269)	2,372,023
Cash and cash equivalents at beginning of period	42,024,121	41,368,852
Cash and cash equivalents at end of period (Note 7)	41,368,852	43,740,876

(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.

(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	8 - 70 years
Structures	2 - 45 years
Machinery and equipment	3 - 17 years
Tools, furniture and fixtures	5 - 15 years

(c) Other intangible assets

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

(d) Long-term prepaid expenses

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

(e) Investment unit issuance costs

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

(f) Investment corporation bonds issuance costs

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

(g) Revenue recognition

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

(1) Sale of property

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

(2) Common area charges

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

(h) Taxes on property, plant and equipment

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

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

Taxes on property and equipment capitalized amounted to ¥67,450 thousand and ¥1,077 thousand for the six months ended July 31, 2023 and January 31, 2024, respectively.

(i) Hedge accounting

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

(j) Cash and cash equivalents

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

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

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

(9) Notes to financial information

Note 1 — Leasehold right

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

Note 2 — Allowance for temporary difference adjustment

Movements of allowance for temporary difference adjustment for the six months ended July 31, 2023 and January 31, 2024 are as follows:

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	

For the six months ended January 31, 2024:

(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	1,617,058	773,548	12,290	(495,202)	290,636	(i)
Deferred gains or (losses) on hedges	Valuation losses on interest rate swaps	405,448	8,375	-	(8,375)	-	(ii)
Total		2,022,506	781,924	12,290	(503,578)	290,636	

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	
	July 31, 2023	January 31, 2024
Authorized	32,000,000 units	32,000,000 units
Issued and outstanding	2,113,516 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 July 31, 2023 and January 31, 2024 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	July 31, 2023	January 31, 2024
Rent revenue— real estate:		
Rental and parking revenue	15,913,028	15,895,811
Common area charges	979,730	1,142,351
Other	93,970	129,791
Total rent revenue-real estate	<u>16,986,729</u>	<u>17,167,955</u>
Expenses related to property rental business:		
Property management fees	75,339	79,586
Facility management fees	1,629,929	1,631,706
Utilities	1,812,620	1,663,683
Property-related taxes	1,423,817	1,426,722
Insurance	49,414	58,675
Repair and maintenance	824,759	774,613
Depreciation	1,709,572	2,106,678
Trust fees	20,213	21,435
Leasehold rents	459,230	466,570
Other	3,291	30,514
Total expenses related to property rental business	<u>8,008,188</u>	<u>8,260,187</u>
Operating income from property leasing activities	<u><u>8,978,541</u></u>	<u><u>8,907,767</u></u>

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	
	July 31, 2023	January 31, 2024
Sale of property	2,982,000	3,408,000
Cost of property	1,995,548	2,267,649
Other sales expenses	125,123	140,810
Gain on sales of property, net	<u>861,327</u>	<u>999,540</u>

Note 6 — Impairment losses

For the six months ended July 31, 2023:

None

For the six months ended January 31, 2024:

(Thousands of yen)			
Name of property	Location	Class	Impairment losses
IIF Yokohama Tsuzuki R&D Center	Yokohama-shi, Kanagawa	Building in trust	133,618
		Land in trust	51,546

An impairment assessment is carried out for each property owned by the Investment Corporation as one asset group. Since the scheduled to be sold above property, the book value was reduced to its recoverable amount and the amount of the reduction was recorded under operating expenses as impairment losses for the six months ended January 31, 2024.

The recoverable amount is measured by the net selling price (estimated selling price - estimated cost of disposal). Impairment losses due to disposition of property are considered to be in the nature of operating expenses and recognized as operating expenses in accordance with Article 48, Paragraph 2 of the Regulations Concerning Accounting of Investment Corporations.

Note 7 — Cash and cash equivalents

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

(Thousands of yen)

	As of	
	July 31, 2023	January 31, 2024
Cash and bank deposits	35,313,041	36,257,204
Cash and bank deposits in trust	6,055,811	7,483,671
Cash and cash equivalents	41,368,852	43,740,876

Note 8 — Lease rental revenues

The Investment Corporation leases its properties mainly to corporate tenants. Future minimum rental revenues pursuant to existing rental contracts as of July 31, 2023 and January 31, 2024 scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	July 31, 2023	January 31, 2024
Due within one year	28,609,106	30,349,373
Due after one year	94,388,686	126,483,255
Total	122,997,792	156,832,628

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

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

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

The funds raised through loans payable or issuance of investment corporation bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing loans payable or investment corporation bonds. 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 10— Derivative instruments" do not, by themselves, represent the market risk exposure associated with the derivative transactions.

(b) Matters concerning the fair value, etc. of 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 July 31, 2023 and January 31, 2024. 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 July 31, 2023			As of January 31, 2024		
	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	2,000,000	2,003,900	3,900
(2) Current portion of long-term loans payable	19,000,000	19,090,822	90,822	19,800,000	19,846,854	46,854
(3) Investment corporation bonds—unsecured	12,700,000	12,295,483	(404,517)	12,700,000	12,184,213	(515,787)
(4) Long-term loans payable	173,583,000	172,928,858	(654,141)	182,783,000	181,504,766	(1,278,233)
Total liabilities	207,283,000	206,323,343	(959,656)	217,283,000	215,539,734	(1,743,265)
Derivatives (derivatives liabilities), net	1,465	1,465	-	2,334	2,334	-

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 10 - Derivative instruments."

Note (ii): Non-marketable investment securities

Shares of subsidiaries and associates 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 shares of subsidiaries and associates are ¥356,826 thousand as of July 31, 2023 and as of January 31, 2024.

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

(Thousands of yen)

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
As of January 31, 2024	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	19,800,000	23,700,000	21,900,000	23,600,000	23,959,000	89,624,000
Total	21,800,000	23,700,000	24,900,000	26,600,000	23,959,000	96,324,000

Note 10 — Derivative instruments

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

As of 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)	-

As of January 31, 2024

(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	2,334	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	9,900,000	2,700,000	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 9 - Financial instruments (b) Matters concerning the fair value, etc. of financial instruments”.
- (ii) The fair value is estimated by the counterparty to the interest rate swaps contracts using market interest rates and other assumptions.

Note 11 — Income taxes

Deferred tax assets consist of the following:

(Thousands of yen)

	As of	
	July 31, 2023	January 31, 2024
Deferred tax assets:		
Enterprise tax payable	1	4
Asset retirement obligations	333,650	407,683
Depreciation	-	2,571
Impairment losses	-	58,252
Subtotal	333,651	468,511
Valuation allowance	(333,651)	(468,511)
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	
	July 31, 2023	January 31, 2024
Statutory tax rates	31.46%	31.46%
Deductible cash distributions	(29.41)	(31.52)
Other	(2.04)	0.07
Effective tax rates	0.01%	0.01%

Note 12 — Related-party transactions

The following table shows related-party transaction for the six months ended July 31, 2023 and January 31, 2024.

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.

For the six months ended January 31, 2024:

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	1,500,000	Prepaid expenses	275,000

Note:

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

Note 13 — 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 at 8 years to 53 years based on the useful life of each building and the asset retirement obligations are recognized using discount rates at 0.312% to 0.996%.

(iii) Movements of asset retirement obligations

	(Thousands of yen)	
	For the six months ended	
	July 31, 2023	January 31, 2024
Balance at the beginning of the period	1,553,632	1,060,553
Increase due to acquisition of properties	-	452,904
Increase (decrease) due to change in estimates	(368,756)	-
Adjustment for passage of time	2,123	3,166
Derecognition due to settlement of obligations	(126,446)	(220,746)
Balance at the end of the period	<u>1,060,553</u>	<u>1,295,879</u>

(iv) Change in estimates of asset retirement obligations

For the six months ended July 31, 2023, the Investment Corporation 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 was ¥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 14 — 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 July 31, 2023 and January 31, 2024.

	(Thousands of yen)	
	For the six months ended	
	July 31, 2023	January 31, 2024
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	377,468,402	387,618,507
Net increase (decrease) during the period ⁽ⁱⁱ⁾	10,150,105	6,794,664
Balance at the end of the period	<u>387,618,507</u>	<u>394,413,172</u>
Fair value⁽ⁱⁱⁱ⁾	484,466,000	493,728,000

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 July 31, 2023:	
Acquisitions:	
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.....	(1,995,548)
For the six months ended January 31, 2024:	
Acquisition:	
IIF Kawasaki Port Tank Terminal (Land with leasehold interest).....	7,223,141
IIF Atsugi Logistics Center III (Redevelopment).....	2,873,657
IIF Kitakyushu Moji Port Tank Terminal (Land with leasehold interest).....	605,254
IIF Shizuoka Oigawa Port Tank Terminal (Land with leasehold interest).....	144,460
IIF Okazaki Manufacturing Center.....	24,520
Disposition:	
IIF Kobe Logistics Center (40% of quasi-co-ownership).....	(2,267,649)
Impairment losses:	
IIF Yokohama Tsuzuki R&D Center.....	(185,164)

(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 price is used for the six months ended July 31, 2023 and January 31, 2024. For IIF Totsuka Technology Center (Land with leasehold interest) and IIF Yokohama Tsuzuki R&D Center signed disposition contracts on February 15, 2024 and February 15, 2024, respectively, the selling prices are used for the six months ended January 31, 2024.

For rent revenues and expenses for the six months ended July 31, 2023 and January 31, 2024, please refer to “Note 4— Rent revenue— real estate and expenses related to property rental business”.

Note 15 — Revenue recognition

(a) Information on the breakdown of revenue from contracts with customers

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

For the six months ended January 31, 2024:

(Thousands of yen)

	Revenue from contracts with customers (Note (i))	Sales to external customers (Note (ii))
Sales of property	3,408,000	999,540
Common area charges	1,142,351	1,142,351
Others	29,769	16,025,603
Total	4,580,121	18,167,495

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 July 31, 2023	For the six months ended January 31, 2024
Receivables generated from contracts with customers (balance at beginning of fiscal period)	114,503	592,597
Receivables generated from contracts with customers (balance at end of fiscal period)	592,597	498,442
Contract assets (balance at beginning of fiscal period)	-	-
Contract assets (balance at end of fiscal period)	-	-
Contract liabilities (balance at beginning of fiscal period)	-	-
Contract liabilities (balance at end of fiscal period)	-	-

(2) Transaction value allocated to remaining performance obligations

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.

For the six months ended January 31, 2024:

As of January 31, 2024, transaction value allocated to remaining performance obligations regarding sales of property was ¥2,130,000 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 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 16 — Segment information

Segment information for the fiscal period ended July 31, 2023 and January 31, 2024 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

	(Thousands of yen)	
	Revenues for the six months ended	
Name of customer	January 31, 2024	Relating segment
Takeda Pharmaceutical Company Limited	4,563,998	Property rental business

Note:

The revenues from Takeda Pharmaceutical Company Limited, which are more than 10% of total operating revenues for the six months ended July 31, 2023 are not disclosed because the consent from the customer has not been obtained. Relating segment is property rental business.

Note 17 — Per unit information

Following table shows the net asset value per unit per unit as of July 31, 2023 and January 31, 2024 and net income per unit for the six months then ended.

	(Yen)	
	For the six months ended	
	July 31, 2023	January 31, 2024
Net asset value per unit	92,590	92,735
Net income per unit	3,530	3,426

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	
	July 31, 2023	January 31, 2024
Net income	7,419,161	7,242,933
Effect of dilutive unit	-	-
Net income available to common unitholders	7,419,161	7,242,933
Adjusted weighted-average number of units outstanding for the period	2,101,499 units	2,113,516 units

Note 18 — Subsequent events

Issuance of new investment units

At the meetings of the Board of Directors held on February 15, 2024 and February 21, 2024, the issuance of new investment units was resolved as follows. Payment for the Issuance of new investment units through public offering was completed on February 28, 2024. As a result of the issuance, unitholders' capital increased to ¥236,304,724,469 (the amount of unitholders' capital less unitholders' capital deduction is shown. The deduction of unitholders' capital in connection with the distribution in excess of profit related to the allowance for temporary difference adjustment is not taken into account.) and number of investment units issued and outstanding increased to 2,523,125 units on February 28, 2024.

Due to the secondary offering by way of an overallotment, payment for the issuance of new investment units through third-party allotment is scheduled on March 26, 2024.

(a) Issuance of new investment units through public offering

(i) Number of new investment units to be offered:	409,609 units
(ii) Issue price (Offer price):	¥119,047 per unit
(iii) Total issue price (Total offer price):	¥48,762,722,623
(iv) Issue value (Amount to be paid in):	¥115,384 per unit
(v) Total issue value (Total amount to be paid in):	¥47,262,324,856
(vi) Payment date:	February 28, 2024
(vii) Beginning date of distribution:	February 1, 2024

(b) Issuance of new investment units through third-party allotment

(i) Number of new investment units:	13,091 units
(ii) Issue value (Amount to be paid in):	¥115,384 per unit
(iii) Total issue value (Total amount to be paid in) at maximum:	¥1,510,491,944
(iv) Payment date:	March 26, 2024
(v) Beginning date of distribution:	February 1, 2024
(ii) Allottee:	SMBC Nikko Securities Inc.

There may be cases where there will be no subscription for the investment units offered in the third-party allotment in whole or in part, and the final number of investment units placed under the third-party allotment may accordingly decrease to that extent due to forfeiture, or such allotment itself may not take place at all.

(b) Use of Funds

The funds through the public offering will be allocated to a part of the funds to acquire new specified properties (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, same as below).

The funds through the third-party allotment will be allocated to a part of the funds to acquire new specified properties or repayment of existing loans payable.

Disposition of properties

On February 15, 2024, the Investment Corporation signed disposition contract of properties as follows:

Property name	Disposition amount	Completion date of contract	Disposition date	Name of purchaser
IIF Totsuka Technology Center (Land with leasehold interest) (Trust beneficial interest)	¥7,500 million	February 15, 2024	30% of quasi-co-ownership in trust beneficiary interest March 29, 2024	Not disclosed ⁽ⁱ⁾
			35% of quasi-co-ownership in trust beneficiary interest November 29, 2024	
			40% of quasi-co-ownership in trust beneficiary interest March 31, 2025	
IIF Yokohama Tsuzuki R&D Center (Trust beneficial interest)	¥6,000 million	February 15, 2024	February 29, 2024	Not disclosed ⁽ⁱ⁾

Note (i): Although a purchaser of the properties is a domestic company, information on the counter party is not disclosed because the consent from the purchaser has not been obtained.

Note 19 — Allowance for temporary difference adjustment

Changes of temporary difference subject to allowance for temporary difference adjustment for the six months ended July 31, 2023 and January 31, 2024 are as follows:

(Thousands of yen)

For the six months ended	Item	Reason for changes of temporary difference	Amount for allowance (or reversal)	Note
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)
January 31, 2024	Buildings in trust	Excess of depreciation allowance	233,427	(i)
	Buildings in trust	Reversal of excess of depreciation allowance	(220,746)	(i)

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 (Note 1)	Region	As of July 31, 2023		As of January 31, 2024	
				Total of net book value (Millions of yen) (Note 2)	Composition ratio (%) (Note 3)	Total of net book value (Millions of yen) (Note 2)	Composition ratio (%) (Note 3)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	12,907	3.0	12,977	2.9
			Osaka and Nagoya metropolitan areas	4,776	1.1	4,757	1.1
			Other area	3,101	0.7	3,099	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	42,600	9.8	42,360	9.6
			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	198,477	45.8	199,831	45.2
			Osaka and Nagoya metropolitan areas	65,539	15.1	63,426	14.4
			Other area	31,887	7.4	31,752	7.2
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	5,778	1.3	5,754	1.3
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	-	-	7,223	1.6
			Osaka and Nagoya metropolitan areas	20,551	4.7	20,482	4.6
			Other area	-	-	605	0.1
		Other	Tokyo metropolitan area	-	-	-	-
			Osaka and Nagoya metropolitan areas	-	-	-	-
			Other area	-	-	144	0.0
Sub-total			387,618	89.4	394,413	89.3	
Shares of subsidiaries and associates (Note 4)			356	0.1	356	0.1	
Bank deposits and other assets			45,434	10.5	47,069	10.7	
Total assets			433,409	100.0	441,839	100.0	
Total liabilities			237,718	54.8	245,841	55.6	
Total net assets			195,690	45.2	195,997	44.4	

Note 1 "Location category" is classified as below.

Location category	Description
Urban and suburban properties	Properties located in Japan's three major urban areas(i), cities designated by government ordinance, or similar areas
Industrial-area properties	Generally, properties located in industrial zones(ii) that generate more than ¥1 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 (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 Shares of subsidiaries and associates is the stock of iPark Institute Co., Ltd. (ownership ratio 41%) which is the management company of IIF Shonan Health Innovation Park.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of January 31, 2024 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)	40,346	131,241.29	130,178.03	99.2	Note 6	Manufacturing and R&D facility, etc.
IIF Haneda Airport Maintenance Center	36,155	81,995.81	81,995.81	100.0	8.9	Infrastructure facility
IIF Ichihara Manufacturing Center (Land with leasehold interest)	16,614	637,802.64	637,802.64	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Kobe District Heating and Cooling Center	15,029	11,476.05	11,476.05	100.0	1.9	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	12,965	27,493.29	27,493.29	100.0	2.3	Logistics facility
IIF Atsugi Manufacturing Center (Note 5)	11,840	97,153.03	97,153.03	100.0	Note 6	Manufacturing and R&D facility, etc.
IIF Osaka Suminoe Logistics Center I	11,712	52,201.30	52,201.30	100.0	Note 6	Logistics facility
IIF Fukuoka Hakozaki Logistics Center II	9,903	51,530.51	51,530.51	100.0	Note 6	Logistics facility
IIF Mitaka Card Center	9,281	21,615.01	21,615.01	100.0	2.1	Manufacturing and R&D facility, etc.
IIF Yokkaichi Logistics Center	9,071	51,504.25	51,504.25	100.0	Note 6	Logistics facility
Total	172,919	1,164,013.18	1,162,949.92	99.9	55.1	

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 January 31, 2024 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	12,965
IIF Noda Logistics Center	340-13, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	10,000	5,242
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	8,210	5,081
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	3,400	1,667
IIF Nishinomiya Logistics Center	2, Nishinomiya 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	17,200.00	3,250	1,879
IIF Narashino Logistics Center (Land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	20,809.47	1,960	1,180
IIF Narashino Logistics Center II (Note 5)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	84,020.30	7,080	4,707
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	4,300	3,087
IIF Yokohama Tsuzuki Logistics Center	747, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,615.82	3,720	2,243
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	2,610	1,391
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,740	1,145
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	22,879.35	7,580	4,597
IIF Kawaguchi Logistics Center	5-3 Midori-cho, Kawaguchi-shi, Saitama	Real property	11,705.02	5,890	2,111
IIF Kobe Logistics Center (Notes 4 and 6)	2-10, Maya-futo, Nada-ku, Kobe-shi, Hyogo	Trust beneficial interest	9,263.10	2,100	1,418
IIF Higashi-Osaka Logistics Center	7-46, Wakae-higashi-machi 6-chome, Higashi Osaka-shi, Osaka	Real property	20,528.42	4,520	2,418
IIF Kashiwa Logistics Center	1027-1, Washinoya, Kashiwa-shi, Chiba	Real property	17,379.78	3,820	2,083
IIF Misato Logistics Center	5, Izumi 3-chome, Misato-shi, Saitama	Trust beneficial interest	19,019.71	6,860	3,299
IIF Iruma Logistics Center	660-2, Aza Higashimusashino, Oaza Minami-mine, Iruma-shi, Saitama	Trust beneficial interest	17,881.65	4,520	2,861
IIF Tosu Logistics Center	127-1, Aza Uchishirage, Kurano-machi, Tosu-shi, Saga	Trust beneficial interest	13,862.05	2,760	1,472
IIF Morioka Logistics Center	Plot 4-311, Oaza Hiromiyasawa, Yahabacho, Shiwa-gun, Iwate, etc.	Trust beneficial interest	8,001.57	1,580	532
IIF Hiroshima Logistics Center	22-4, Itsukaichi-ko 3-chome, Saeki-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	22,768.24	5,110	3,120
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	1,170	937
IIF Kyotanabe Logistics Center	55-13, Osumi-hama, Kyotanabe-shi, Kyoto	Trust beneficial interest	33,243.99	9,060	5,458
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1134-1, Aoyagi, Koga-shi, Fukuoka	Real property	30,815.97	1,100	914
IIF Fukuoka Higashi Logistics Center	9-1 Kamata 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	11,262.86	2,330	1,874
IIF Osaka Konohana Logistics Center	4-51, Shimaya 4-chome, Konohana-ku, Osaka-shi, Osaka	Trust beneficial interest	46,262.20	11,000	8,645
IIF Kazo Logistics Center	6-1, Shintone 2-chome, Kazo-shi, Saitama	Trust beneficial interest	17,744.41	3,100	2,528
IIF Hamura Logistics Center (Note 7)	8-16, Shinmeidai 4-chome, Hamura-shi, Tokyo	Trust beneficial interest	-	1,090	1,657

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	5,770	5,097
IIF Fukuoka Hakozaki Logistics Center II	1-18, Hakozakifuto 4-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	51,530.51	11,900	9,903
IIF Itabashi Logistics Center	7-7, Higashi-sakashita 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	5,057.68	2,350	1,697
IIF Sendai Taiwa Logistics Center	3-15, Maino 2-chome, Taiwa-cho, Kurokawa-gun, Miyagi	Trust beneficial interest	15,555.15	1,980	1,526
IIF Ota Logistics Center	236-1, Anyoji-cho, Ota-shi, Gunma	Real property	6,900.01	1,210	986
IIF Osaka Suminoe Logistics Center I	2-32, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	52,201.30	16,200	11,712
IIF Osaka Suminoe Logistics Center II	2-34, Shibatani 1-chome, Suminoe-ku, Osaka-shi, Osaka	Trust beneficial interest	12,299.76	3,070	2,505
IIF Morioka Logistics Center II	4-5, Ryutsu Center Minami 2-chome, Yahaba-cho, Shiwa-gun, Iwate	Trust beneficial interest	12,383.30	1,570	1,373
IIF Sapporo Logistics Center	2-1, Yonesato-sanjo 3-chome, Shiroishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	13,064.75	2,750	2,476
IIF Koriyama Logistics Center	213, Aza Mukaihara, Otsuki-machi, Koriyama-shi, Fukushima	Trust beneficial interest	17,533.15	3,350	2,376
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	2,560	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	4,075
IIF Akishima Logistics Center	3928-4, Kohake, Haijimacho, Akishima-shi, Tokyo	Trust beneficial interest	31,071.21	9,020	8,436
IIF Gifu Kakamigahara Logistics Center	2-8, Aza Takehaya, Kawashima Takehayamachi, Kakamigahara-shi, Gifu, etc.	Trust beneficial interest	16,708.51	3,310	2,331
IIF Hiroshima Seifushinto Logistics Center	3-1, Tomominami 2-chome, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	28,988.91	6,710	6,182
IIF Shonan Logistics Center	9-2, Ichinomiya 7-chome, Samukawa-machi, Koza-gun, Kanagawa	Trust beneficial interest	23,728.15	9,200	7,498
IIF Yokkaichi Logistics Center	1340-8, Azayamagamidani, Tarusaka-cho, Yokkaichi-shi, Mie, etc.	Trust beneficial interest	51,504.25	10,300	9,071
IIF Shiga Ryuoh Logistics Center	900-1, Yamazurakawahara, Ryuoh-cho, Gamo-gun, Shiga, etc.	Trust beneficial interest	17,916.90	3,920	3,645
IIF Omihachiman Logistics Center	951-4, Chokoji-cho, Omihachiman-shi, Shiga, etc.	Trust beneficial interest	25,111.07	2,310	1,893
IIF Totsuka Technology Center (Land with leasehold interest) (Note 8)	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	1,366
IIF Mitaka Card Center	5-14, Shimo-Renja 7-chome, Mitaka-shi, Tokyo	Trust beneficial interest	21,615.01	9,820	9,281
IIF Kamata R&D Center	16-46, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	8,380	7,364
IIF Kawasaki Science Center	25-19, Tono-machi 3-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Real property	4,857.73	3,000	1,802
IIF Sagamihara R&D Center	1-35, Minamihashimoto 3-chome, Chuo-ku, Sagamihara-shi, Kanagawa	Trust beneficial interest	19,328.40	4,790	3,617
IIF Yokohama Shinyamashita R&D Center	16-5, Shinyamashita 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	4,887.83	4,580	3,739
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, Tekkodoroi 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	4,417

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	1,350	1,325
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	11,840
IIF Shin-Kawasaki R&D Center	1-2, Shinogura, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	11,865.54	8,810	6,297
IIF Ichikawa Food Processing Center	1-1-2, Higashihama 1-chome, Ichikawa-shi, Chiba, etc.	Trust beneficial interest	27,424.22	6,610	6,309
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 (Note 10)	9-2, Ushikubo 3-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	18,132.42	5,970	6,098
IIF Okazaki Manufacturing Center	34-6, Aza Okasaku, Makhira-cho, Okazaki-shi, Aichi, etc.	Trust beneficial interest	62,050.46	4,350	4,552
IIF Shonan Health Innovation Park	26-1, Muraoka-Higashi 2-chome, Fujisawa-shi, Kanagawa	Trust beneficial interest	131,241.29	44,300	40,346
IIF Ichihara Manufacturing Center (Land with leasehold interest)	1-1, Yawatakaigandori, Ichihara-shi, Chiba, etc.	Trust beneficial interest	637,802.64	18,900	16,614
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	3,040	2,537
IIF Ota Manufacturing Center	4-17, Higashi kojiya 6-chome, Ota-ku, Tokyo	Trust beneficial interest	8,285.90	5,020	4,597
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuoku, Kobe-shi, Hyogo	Trust beneficial interest	11,476.05	12,000	15,029
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	41,400	36,155
IIF Shinagawa Data Center	9-15, Futaba 2-chome, Shinagawa-ku, Tokyo	Real property	19,547.11	7,460	5,476
IIF Osaka Toyonaka Data Center	1-8, Shin-senri-nishi-machi 1-chome, Toyonaka-shi, Osaka	Trust beneficial interest	20,027.14	6,470	5,452
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	811	729
IIF Kawasaki Port Tank Terminal (Land with leasehold interest)	4-12, Chidori-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	42,186.88	7,490	7,223
IIF Shizuoka Oigawa Port Tank Terminal (Land with leasehold interest)	2624-102, Aza Jizoumori, Riemon, Yaizu-shi, Shizuoka, etc.	Trust beneficial interest	10,967.00	162	144
IIF Kitakyushu Moji Port Tank Terminal (Land with leasehold interest)	1-7, Setomachi, Moji-ku, Kitakyushu-shi, Fukuoka, etc.	Trust beneficial interest	33,789.08	624	605
Total			2,869,600.76	491,518	394,413

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 (58,852.16m²) and that of the building on the leased land (25,168.14m²).

Note 6 The Investment Corporation sold 3% , 32% and 40% of quasi-co-ownership interest of IIF Kobe Logistics Center on April 7, 2023 and July 31, 2023 and January 19, 2024 , respectively. For the remaining quasi-co-ownership of interest of the property, the Investment Corporation is going to sell 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 The Investment Corporation is going to sell 30% , 35% and 35% of quasi-co-ownership interest of IIF Totsuka Technology Center (Land with leasehold interest) on March 29, 2024, November 29, 2024 and March 31, 2025, respectively.
- 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 (64,327.54㎡) and that of the building on the leased land (32,825.49㎡).
- Note 10 The Investment Corporation disposed of IIF Yokohama Tsuzuki Technology Center on February 29, 2024.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of January 31, 2024 were as follows:

Name of property	For the six months ended July 31, 2023					For the six months ended January 31, 2024				
	Number of tenants (Note1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note2)	Composition ratio of NOI (%)	Number of tenants (Note1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (NOI) (Millions of yen) (Note2)	Composition ratio of NOI (%)
IIF Shinonome Logistics Center	1	100.0	400	365	3.4	1	100.0	400	364	3.3
IIF Noda Logistics Center	2	100.0	(Note 3)	214	2.0	2	100.0	(Note 3)	212	1.9
IIF Shinsuna Logistics Center	1	100.0	179	159	1.5	1	100.0	179	155	1.4
IIF Koshigaya Logistics Center	1	100.0	83	76	0.7	1	100.0	83	72	0.7
IIF Nishinomiya Logistics Center	2	100.0	(Note 3)	82	0.8	2	100.0	(Note 3)	82	0.7
IIF Narashino Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	37	0.3	1	100.0	(Note 3)	38	0.3
IIF Narashino Logistics Center II (Note 4)	2	100.0	(Note 3)	168	1.6	2	100.0	(Note 3)	119	1.1
IIF Atsugi Logistics Center II	1	100.0	(Note 3)	112	1.1	1	100.0	(Note 3)	95	0.9
IIF Yokohama Tsuzuki Logistics Center	1	100.0	(Note 3)	80	0.8	1	100.0	(Note 3)	81	0.7
IIF Saitama Logistics Center	1	100.0	67	60	0.6	1	100.0	67	63	0.6
IIF Nagoya Logistics Center	1	100.0	(Note 3)	46	0.4	1	100.0	(Note 3)	44	0.4
IIF Atsugi Logistics Center III (Note 5)	-	-	-	(6)	(0.1)	1	100.0	(Note 3)	50	0.5
IIF Kawaguchi Logistics Center	1	100.0	(Note 3)	107	1.0	1	100.0	(Note 3)	92	0.8
IIF Kobe Logistics Center (Note 6)	1	18.1	(Note 3)	(21)	(0.2)	2	29.9	(Note 3)	(7)	(0.1)
IIF Higashi-Osaka Logistics Center	2	100.0	(Note 3)	92	0.9	2	100.0	(Note 3)	105	1.0
IIF Kashiwa Logistics Center	1	100.0	(Note 3)	85	0.8	1	100.0	(Note 3)	87	0.8
IIF Misato Logistics Center	1	100.0	(Note 3)	116	1.1	1	100.0	(Note 3)	116	1.1
IIF Iruma Logistics Center	1	100.0	(Note 3)	105	1.0	1	100.0	(Note 3)	105	1.0
IIF Tosu Logistics Center	2	100.0	(Note 3)	60	0.6	2	100.0	(Note 3)	43	0.4
IIF Morioka Logistics Center	1	100.0	(Note 3)	42	0.4	1	100.0	(Note 3)	42	0.4
IIF Hiroshima Logistics Center	1	100.0	(Note 3)	120	1.1	1	100.0	(Note 3)	121	1.1
IIF Izumiotsu e-shop Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	111	1.0	1	100.0	(Note 3)	111	1.0
IIF Izumisano Food Processing and Logistics Center	1	100.0	(Note 3)	28	0.3	1	100.0	(Note 3)	27	0.3
IIF Kyotanabe Logistics Center	1	100.0	(Note 3)	165	1.5	1	100.0	(Note 3)	171	1.6
IIF Fukuoka Koga Vehicle Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	27	0.3	1	100.0	(Note 3)	27	0.2
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)	216	2.0	1	100.0	(Note 3)	204	1.9
IIF Kazo Logistics Center	1	100.0	(Note 3)	67	0.6	1	100.0	(Note 3)	67	0.6
IIF Hamura Logistics Center (Note 7)	-	-	-	(2)	0.0	-	-	-	(2)	0.0
IIF Fukuoka Hakozaiki Logistics Center I	3	100.0	(Note 3)	128	1.2	3	100.0	(Note 3)	128	1.2

Name of property	For the six months ended July 31, 2023					For the six months ended January 31, 2024				
	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 Hakozaiki Logistics Center II	4	100.0	(Note 3)	267	2.5	4	100.0	(Note 3)	264	2.4
IIF Itabashi Logistics Center	1	100.0	(Note 3)	37	0.3	1	100.0	(Note 3)	38	0.3
IIF Sendai Taiwa Logistics Center	1	100.0	(Note 3)	47	0.4	1	100.0	(Note 3)	46	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)	256	2.4	1	100.0	(Note 3)	256	2.3
IIF Osaka Suminoe Logistics Center II	1	100.0	(Note 3)	60	0.6	1	100.0	(Note 3)	60	0.5
IIF Morioka Logistics Center II	1	100.0	(Note 3)	33	0.3	1	100.0	(Note 3)	35	0.3
IIF Sapporo Logistics Center	1	100.0	(Note 3)	64	0.6	1	100.0	(Note 3)	63	0.6
IIF Koriyama Logistics Center	2	100.0	(Note 3)	96	0.9	2	100.0	(Note 3)	96	0.9
IIF Kobe Nishi Logistics Center (Land with leasehold interest)	1	100.0	(Note 3)	40	0.4	1	100.0	(Note 3)	40	0.4
IIF Hyogo Tatsuno Logistics Center	1	100.0	(Note 3)	106	1.0	1	100.0	(Note 3)	109	1.0
IIF Akishima Logistics Center	1	100.0	(Note 3)	174	1.6	1	100.0	(Note 3)	170	1.6
IIF Gifu Kakamigahara Logistics Center	1	100.0	(Note 3)	71	0.7	1	100.0	(Note 3)	71	0.6
IIF Hiroshima Seifushinto Logistics Center	1	100.0	(Note 3)	154	1.4	1	100.0	(Note 3)	153	1.4
IIF Shonan Logistics Center	1	100.0	(Note 3)	181	1.7	1	100.0	(Note 3)	180	1.6
IIF Yokkaichi Logistics Center	2	100.0	(Note 3)	254	2.4	2	100.0	(Note 3)	240	2.2
IIF Shiga Ryuoh Logistics Center	1	100.0	(Note 3)	80	0.8	1	100.0	(Note 3)	112	1.0
IIF Omihachiman Logistics Center	1	100.0	(Note 3)	43	0.4	1	100.0	(Note 3)	60	0.5
IIF Totsuka Technology Center (Land with leasehold interest) (Note 8)	1	100.0	153	137	1.3	1	100.0	153	137	1.2
IIF Yokohama Tsuzuki Technology Center	1	100.0	60	40	0.4	1	100.0	61	43	0.4
IIF Mitaka Card Center	1	100.0	366	312	2.9	1	100.0	366	312	2.8
IIF Kamata R&D Center	1	100.0	(Note 3)	232	2.2	1	100.0	(Note 3)	234	2.1
IIF Kawasaki Science Center	1	100.0	(Note 3)	81	0.8	1	100.0	(Note 3)	81	0.7
IIF Sagami-hara R&D Center	2	100.0	(Note 3)	149	1.4	2	100.0	(Note 3)	141	1.3
IIF Yokohama Shinyamashita R&D Center	1	100.0	(Note 3)	104	1.0	1	100.0	(Note 3)	102	0.9
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	0.3	1	100.0	(Note 3)	36	0.3
IIF Yokosuka Technology Center	1	100.0	(Note 3)	140	1.3	1	100.0	(Note 3)	136	1.2
IIF Shonan Technology Center	1	100.0	(Note 3)	40	0.4	1	100.0	(Note 3)	40	0.4
IIF Totsuka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	57	0.5	1	100.0	(Note 3)	57	0.5
IIF Atsugi Manufacturing Center (Note 9)	2	100.0	(Note 3)	344	3.2	2	100.0	(Note 3)	337	3.1
IIF Shin-Kawasaki R&D Center	1	100.0	(Note 3)	234	2.2	1	100.0	(Note 3)	234	2.1

Name of property	For the six months ended July 31, 2023					For the six months ended January 31, 2024				
	Number of tenants (Note 1)	Occupancy ratio (%)	Rental revenues (Millions of yen)	Rental net operating income (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 (Millions of yen) (Note 2)	Composition ratio of NOI (%)
IIF Ichikawa Food Processing Center	2	100.0	(Note 3)	138	1.3	2	100.0	(Note 3)	137	1.2
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 (Note 10)	1	100.0	(Note 3)	172	1.6	1	100.0	(Note 3)	173	1.6
IIF Okazaki Manufacturing Center	1	100.0	(Note 3)	95	0.9	5	100.0	(Note 3)	96	0.9
IIF Shonan Health Innovation Park	8	100.0	(Note 3)	1,004	9.4	7	99.2	(Note 3)	1,210	11.0
IIF Ichihara Manufacturing Center (Land with leasehold interest)	2	100.0	(Note 3)	455	4.3	2	100.0	(Note 3)	455	4.1
IIF Iruma Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	72	0.7	1	100.0	(Note 3)	69	0.6
IIF Tochigi Moka Manufacturing Center (Land with leasehold interest)	1	100.0	(Note 3)	36	0.3	1	100.0	(Note 3)	33	0.3
IIF Hanno Manufacturing Center (land with leasehold interest)	1	100.0	(Note 3)	52	0.5	1	100.0	(Note 3)	73	0.7
IIF Ota Manufacturing Center	1	100.0	(Note 3)	42	0.4	1	100.0	(Note 3)	97	0.9
IIF Kobe District Heating and Cooling Center	4	100.0	332	307	2.9	4	100.0	332	308	2.8
IIF Haneda Airport Maintenance Center	1	100.0	1,519	982	9.2	1	100.0	1,526	982	8.9
IIF Shinagawa Data Center	1	100.0	(Note 3)	188	1.8	1	100.0	(Note 3)	192	1.7
IIF Osaka Toyonaka Data Center	1	100.0	(Note 3)	186	1.7	1	100.0	(Note 3)	202	1.8
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
IIF Kawasaki Port Tank Terminal (Land with leasehold interest)	-	-	-	-	-	1	100.0	(Note 3)	38	0.3
IIF Shizuoka Oigawa Port Tank Terminal (Land with leasehold interest)	-	-	-	-	-	1	100.0	(Note 3)	1	0.0
IIF Kitakyushu Moji Port Tank Terminal (Land with leasehold interest)	-	-	-	-	-	1	100.0	(Note 3)	4	0.0
Total	102	99.3	16,986	10,688	100.0	110	99.7	17,167	11,014	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 acquired redevelopment buildings on December 25, 2023.

Note 6 The Investment Corporation sold 3%, 32% and 40% of quasi-co-ownership interest of IIF Kobe Logistics Center on April 7, 2023 and July 31, 2023 and January 19, 2024, respectively. For the remaining quasi-co-ownership of interest of the property, the Investment Corporation is going to sell 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 The Investment Corporation is going to sell 30%, 35% and 35% of quasi-co-ownership interest of IIF Totsuka Technology Center (Land with leasehold interest) on March 29, 2024, November 29, 2024 and March 31, 2025, respectively.

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, "Number of tenants" shows total of the number of tenant of leased land and that of the building.

Note 10 The Investment Corporation disposed of IIF Yokohama Tsuzuki Technology Center on February 29, 2024.

(3) Capital expenditures for property

1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of January 31, 2024 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

(Millions of yen)

Name of property	Location	Purpose	Scheduled term for construction or maintenance	Estimated cost		
				Total	Advanced payment	
					Payment for the six months ended January 31, 2024	Total of advanced payment
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of high voltage transformers (3units)	April, 2024 to March, 2027	640	-	-
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (1st period / 2 periods)	September, 2024 to January, 2025	255	-	-
IIF Kawaguchi Logistics Center	Kawaguchi-shi, Saitama	Renewal of cooling facility (2nd period / 2 periods)	February, 2025 to March, 2025	255	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A building for B building (A43W area)	September, 2023 to February, 2024	252	-	0
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Conversion construction of A building for B building (A43E area)	April, 2025 to January, 2026	250	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal construction of fire extinguisher equipment (1st period / 3 periods)	February, 2025 to July, 2025	231	-	-
IIF Haneda Airport Maintenance Center	Ota-ku, Tokyo	Renewal construction of fire extinguisher equipment (2nd period / 3 periods)	August, 2025 to January, 2026	231	-	-
IIF Okazaki Manufacturing Center	Yokkaichi-shi, Mie	Construction of earthquake reinforcement (2nd period / 3 periods)	February, 2025 to July, 2025	191	-	-
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	180	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Repair of electrical substation equipment of A4 building	February, 2024 to January, 2025	160	0	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A2, B2 and C2 buildings	October, 2023 to June, 2024	131	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of central monitoring equipment	April, 2024 to November, 2025	130	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A2, B2 and C2 buildings (Lightning control area)	December, 2023 to June, 2024	100	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Renewal of air conditioning system (2nd period / 2 periods)	August, 2024 to January, 2025	99	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Repair of electrical substation equipment of A3 building	June, 2024 to June, 2025	92	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of monitoring camera equipment	September, 2024 to March, 2025	91	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	January, 2024 to February, 2024	90	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (34th period_ Tenant occupancy)	March, 2024 to June, 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 April, 2025	70	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Expansion work of office and meeting room (37th period_ Tenant occupancy)	April, 2025 to October, 2025	70	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Repair of outer wall (1st period / 2 periods)	March, 2024 to January, 2025	66	-	-
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of high voltage cable (2nd period / 3 periods)	December, 2024	66	-	-
IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	Renewal of high voltage cable (3rd period / 3 periods)	December, 2025	65	-	-
IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	Renewal of air conditioning system (1st period / 2 periods)	February, 2024 to July, 2024	64	-	-
IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	Installation of solar power generation equipment	April, 2024 to May, 2024	63	-	-

(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 Okazaki Manufacturing Center	Okazaki-shi, Aichi	Construction of earthquake reinforcement (3rd period / 3 periods)	August, 2025 to September, 2025	62	-	-
IIF Izumisano Food Processing and Logistics Center	Izumisano-shi, Osaka	Repair of outer wall (1st period: North west face)	February, 2025 to April, 2025	61	-	-
IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No.1 and 2)	August, 2023 to May, 2024	60	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	June, 2024 to June, 2025	60	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Changing of lightning equipment to LED at A3, B3 and C3 buildings (Lightning control area)	September, 2024 to June, 2025	60	-	-
IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Repair of outer wall (2nd period)	August, 2024 to November, 2024	54	-	-
IIF Sagami-hara R&D Center	Sagami-hara-shi, Kanagawa	Renewal of turbo refrigerator (No.2)	November, 2024 to December, 2024	53	-	-
IIF Osaka Suminoe Logistics Center I	Osaka-shi, Osaka	Construction of air conditioning system at storage of 2nd floor	April, 2024 to May, 2024	52	-	-
IIF Mitaka Card Center	Mitaka-shi, Tokyo	Renewal of central monitoring equipment (3rd period / 3 periods)	November, 2025 to January, 2026	52	-	-
IIF Osaka Suminoe Logistics Center II	Osaka-shi, Osaka	Repair of outer wall (1st period / 2 periods)	February, 2024 to June, 2024	51	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of security system	August, 2024 to August, 2025	51	-	-
IIF Shonan Health Innovation Park	Fujisawa-shi, Kanagawa	Renewal of electrical parts of RI management system	April, 2025 to December, 2025	50	-	-

2. Capital expenditures for the six months ended January 31, 2024

Maintenance expenditures on property for the six months ended January 31, 2024 were totaling to ¥2,004 million consisting of ¥1,229 million of capital expenditures stated as below and ¥774 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 industrial monitoring controller of A building	November, 2021 to August, 2023	167
IIF Kashiwa Logistics Center	Kashiwa-shi, Chiba	Repair of outer wall	August, 2023 to December, 2023	71
IIF Osaka Toyonaka Data Center	Toyonaka-shi, Osaka	Renewal of elevator (No.3 and 4)	October, 2023 to January, 2024	60
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
Other	-	-	-	875
Total				1,229