



**Eighth Fiscal Period Results**  
**(January 1, 2011 –June30, 2011)**

**INDUSTRIAL&INFRASTRUCTURE FUND INVESTMENT CORPORATION**  
**BALANCE SHEETS**  
As of June 30, 2011

	<u>December 31, 2010</u> <u>(JPY in Millions)</u>	<u>June 30, 2011</u> <u>(JPY in Millions)</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	6,667	4,019
Rental receivables	3	3
Consumption tax refundable	105	108
Prepaid expenses and other assets	260	607
<b>Total current assets</b>	<u>7,035</u>	<u>4,738</u>
<b>Non-current assets:</b>		
<b>Property and equipment, at cost:</b>		
Land	35,301	43,866
Buildings	44,745	48,042
Building improvements and other assets	324	337
	<u>80,370</u>	<u>92,244</u>
Less: Accumulated depreciation	(3,499)	(4,074)
<b>Total non-current assets</b>	<u>76,871</u>	<u>88,170</u>
<b>Other assets:</b>		
Leasehold rights	19,834	19,834
Deposits	10	10
Long-term prepaid expenses	294	449
Capital issuance costs	-	47
Bonds issuance costs	17	15
<b>Total other assets</b>	<u>20,155</u>	<u>20,355</u>
<b>TOTAL ASSETS</b>	<u><u>104,061</u></u>	<u><u>113,262</u></u>

Note: The sum may not equal the total due to rounding.

**INDUSTRIAL&INFRASTRUCTURE FUND INVESTMENT CORPORATION**  
**BALANCE SHEETS**  
**As of June 30, 2011**

	<u>December 31, 2010</u> <u>(JPY in Millions)</u>	<u>June 30, 2011</u> <u>(JPY in Millions)</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Short-term borrowings	12,000	1,100
Rent received in advance	486	898
Accrued expenses and other liabilities	523	406
<b>Total current liabilities</b>	<u>13,009</u>	<u>2,404</u>
<b>Non-current liabilities:</b>		
Long-term bonds issued	8,000	8,000
Long-term borrowings	39,500	53,000
Tenant leasehold and security deposits	6,118	6,497
Other non-current liabilities	106	98
<b>Total non-current liabilities</b>	<u>53,724</u>	<u>67,595</u>
<b>TOTAL LIABILITIES</b>	<u>66,733</u>	<u>69,999</u>
<b>NET ASSETS</b>		
Unitholders' capital, 4,000,000 units authorized 79,035 units (as of December 31,2010) and 93,632 units (as of June 30,2011) issued and outstanding	36,529	42,241
Retained earnings	798	1,022
<b>TOTAL NET ASSETS</b>	<u>37,328</u>	<u>43,264</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>104,061</u>	<u>113,262</u>

Note: The sum may not equal the total due to rounding.

**INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION**  
**STATEMENTS OF INCOME**  
For the Six Months Ended  
June 30, 2011

	<u>July 1, 2010 to</u> <u>December 31, 2010</u> <u>(JPY in Millions)</u>	<u>January 1, 2011 to</u> <u>June 30, 2011</u> <u>(JPY in Millions)</u>
<b>Operating revenues</b>		
Rental and other operating revenues	2,962	3,296
<b>Operating expenses</b>		
Property-related expenses	1,167	1,253
Asset management fees	316	335
Custodian fees	5	5
General administration fees	21	22
Other	89	57
	<u>1,598</u>	<u>1,673</u>
<b>Operating income</b>	1,365	1,623
<b>Non-operating revenues</b>		
Non-operating revenues	2	4
<b>Non-operating expenses</b>		
Interest expense	403	429
Amortization of bonds issuance costs	3	3
Amortization of capital issuance costs	17	6
Other non-operating expenses	144	150
<b>Extraordinary expenses</b>		
Loss on disaster	-	15
<b>Income before income taxes</b>	<u>799</u>	<u>1,023</u>
Income taxes	1	1
<b>Net income</b>	<u><u>798</u></u>	<u><u>1,022</u></u>

Note: The sum may not equal the total due to rounding.

**INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended**  
**June 30, 2011**

	<u>July 1, 2010 to</u> <u>December 31, 2010</u> <u>(JPY in Millions)</u>	<u>January 1, 2011 to</u> <u>June 30, 2011</u> <u>(JPY in Millions)</u>
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	799	1,023
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	567	575
Interest expense	403	429
Amortization of bonds issuance costs	3	3
Amortization of capital issuance costs	17	6
Consumption tax refundable	(100)	(7)
Consumption tax payable	(285)	-
Rental receivables	137	(0)
Prepaid expenses	(145)	(502)
Accounts payables	14	2
Rent received in advance	29	413
Accrued expenses and other liabilities	(61)	(54)
Other, net	(371)	(471)
Net cash provided by operating activities	1,006	1,418
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(1,161)	(11,934)
Proceeds from (payment of) tenant leasehold and security deposits	69	379
Net cash used in investing activities	(1,092)	(11,555)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from short-term borrowings	-	9,200
Repayments of short-term borrowings	(2,000)	(20,100)
Proceeds from long-term borrowings	17,000	13,500
Repayments of long-term borrowings	(15,000)	-
Proceeds from issuance of investment units	-	5,689
Distribution payments	(1,282)	(799)
Net cash provided by financing activities	(1,282)	7,490
<b>Net change in cash and cash equivalents</b>	(1,367)	(2,648)
<b>Cash and cash equivalents at beginning of period</b>	8,035	6,667
<b>Cash and cash equivalents at end of period</b>	6,667	4,019

Note: The sum may not equal the total due to rounding.

**Property Portfolio Summary 1**

<u>Name of Property</u>	<u>Year(s) Built</u>	<u>Location of Property</u>	<u>Date Acquired</u>	<u>Ownership %</u>	<u>Acquisition Price (JPY in Millions)</u>	<u>Appraisal Value as of June 30, 2011(JPY in Millions)</u>	<u>% of Total Portfolio</u>
<b>Industrial Properties</b>							
IIF Shinonome Logistics Center	2006	Koto Ward, Tokyo	19-Oct-07	53	13,700	14,000	13.2%
IIF Noda Logistics Center	2006	Noda, Chiba	19-Oct-07	100	6,500	6,490	6.1%
IIF Shinsuna Logistics Center	1998	Koto Ward, Tokyo	19-Oct-07	100	5,300	5,710	5.4%
IIF Atsugi Logistics Center	2005	Atsugi, Kanagawa	19-Oct-07	100	2,100	2,140	2.0%
IIF Koshigaya Logistics Center	1985	Koshigaya, Saitama	19-Oct-07	100	2,000	2,200	2.1%
IIF Nishinomiya Logistics Center	1997	Nishinomiya, Hyogo	19-Oct-07	100	1,300	1,430	1.3%
IIF Narashino Logistics Center (Land with leasehold interest)	—	Narashino, Chiba	16-Feb-10	100	1,190	1,970	1.9%
IIF Narashino Logistics Center II (Land with leasehold interest)	—	Narashino, Chiba	28-Apr-11	100	3,350	3,770	3.6%
IIF Atsugi Logistics Center II	1992 / 2009	Atsugi, Kanagawa	22-Mar-11	100	3,100	3,190	3.0%
IIF Yokohama Tsuzuki Logistics Center	1998	Yokohama, Kanagawa	18-Mar-11	100	2,350	2,580	2.4%
IIF Saitama Logistics Center	1989	Saitama, Saitama	24-Mar-11	100	1,490	1,700	1.6%
IIF Nagoya Logistics Center	1990	Nagoya, Aichi	14-Mar-11	100	1,050	1,110	1.0%
IIF Totsuka Technology Center (Land with leasehold interest)	—	Yokohama, Kanagawa	31-Mar-10	100	4,500	4,760	4.5%
IIF Yokohama Tsuzuki Technology Center	1996	Yokohama, Kanagawa	21-Dec-10	100	1,100	1,240	1.2%
<b>subtotal</b>					<b>49,030</b>	<b>52,290</b>	<b>49.3%</b>
<b>Infrastructure Property</b>							
IIF Kobe District Heating and Cooling Center	1990	Kobe, Hyogo	19-Oct-07	100	18,100	15,800	14.9%
IIF Haneda Airport Maintenance Center	1993	Ota Ward, Tokyo	29-Feb-08	100	41,110	38,000	35.8%
<b>subtotal</b>					<b>59,210</b>	<b>53,800</b>	<b>50.7%</b>
<b>Grand Total</b>					<b>108,240</b>	<b>106,090</b>	<b>100.0%</b>

Note: The sum may not equal the total due to rounding.

## Property Portfolio Summary 2

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of June 30, 2011 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of June 30, 2011</u>	<u>Rental Revenue in 8th Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
<b>Industrial Properties</b>							
IIF Shinonome Logistics Center	1	13,493	27,493.29	27,493.29	100.0%	398	12.1%
IIF Noda Logistics Center	2	6,131	38,828.10	38,828.10	100.0%	240	7.3%
IIF Shinsuna Logistics Center	1	5,339	5,741.75	5,741.75	100.0%	169	5.1%
IIF Atsugi Logistics Center	1	1,891	10,959.68	10,959.68	100.0%	75	2.3%
IIF Koshigaya Logistics Center	1	1,987	10,113.50	10,113.50	100.0%	75	2.3%
IIF Nishinomiya Logistics Center	1	1,249	10,608.00	10,608.00	100.0%	60	1.8%
IIF Narashino Logistics Center (Land with leasehold interest)	1	1,224	19,834.71	19,834.71	100.0%	- (Note 2)	- (Note 2)
IIF Narashino Logistics Center II (Land with leasehold interest)	1	3,436	58,070.00	58,070.00	100.0%	41	1.2%
IIF Atsugi Logistics Center II	1	3,271	20,661.13	20,661.13	100.0%	- (Note 2)	- (Note 2)
IIF Yokohama Tsuzuki Logistics Center	1	2,446	9,464.03	9,464.03	100.0%	- (Note 2)	- (Note 2)
IIF Saitama Logistics Center	1	1,552	8,995.00	8,995.00	100.0%	36	1.1%
IIF Nagoya Logistics Center	1	1,084	8,721.01	8,721.01	100.0%	29	0.9%
IIF Totsuka Technology Center (Land with leasehold interest)	1	4,553	31,442.47	31,442.47	100.0%	147	4.4%
IIF Yokohama Tsuzuki Technology Center	1	1,193	4,655.48	4,655.48	100.0%	57	1.7%
<b>subtotal</b>	<b>15</b>	<b>48,849</b>	<b>265,588.15</b>	<b>265,588.15</b>	<b>100.0%</b>	<b>1,493</b>	<b>45.3%</b>
<b>Infrastructure Property</b>							
IIF Kobe District Heating and Cooling Center	1	17,828	11,189.36	10,909.23	97.5%	378	11.5%
IIF Haneda Airport Maintenance Center	1	41,326	81,995.81	81,995.81	100.0%	1,424	43.2%
<b>subtotal</b>	<b>2</b>	<b>59,155</b>	<b>93,185.17</b>	<b>92,905.04</b>	<b>99.7%</b>	<b>1,802</b>	<b>54.7%</b>
<b>Grand Total</b>	<b>17</b>	<b>108,004</b>	<b>358,773.32</b>	<b>358,493.19</b>	<b>99.9%</b>	<b>3,296</b>	<b>100.0%</b>

Note 1: The sum may not equal the total due to rounding.

Note 2: Rental Revenue is undisclosed because the consent from the tenant has not been acquired.