



Second Fiscal Period Results
(January 1, 2008 – June 30, 2008)

INDUSTRIAL&INFRASTRUCTURE FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of June 30, 2008

	<u>December 31,2007</u> <u>(JPY in Millions)</u>	<u>June 30,2008</u> <u>(JPY in Millions)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	4,227	4,487
Rental receivables	10	154
Consumption tax refundable	1,522	1,061
Prepaid expenses and other assets	49	59
Total current assets	<u>5,807</u>	<u>5,761</u>
Non-current assets:		
Property and equipment, at cost:		
Land	36,940	36,940
Buildings	29,531	52,491
Building improvements	606	608
	<u>67,078</u>	<u>90,039</u>
Less: Accumulated depreciation	(258)	(979)
Total non-current assets	<u>66,820</u>	<u>89,060</u>
Other assets:		
Leasehold rights	-	19,834
Deposits	10	10
Long-term prepaid expenses	95	79
Capital issuance costs	189	154
Total other assets	<u>294</u>	<u>20,077</u>
TOTAL ASSETS	<u>72,921</u>	<u>114,899</u>

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

INDUSTRIAL&INFRASTRUCTURE FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of June 30, 2008

	<u>December 31,2007</u> <u>(JPY in Millions)</u>	<u>June 30,2008</u> <u>(JPY in Millions)</u>
LIABILITIES		
Current liabilities:		
Short-term debt	15,000	55,000
Rent received in advance	359	529
Accrued expenses and other liabilities	234	344
<i>Total current liabilities</i>	<u>15,593</u>	<u>55,873</u>
Non-current liabilities:		
Long-term debt	15,000	15,000
Tenant leasehold and security deposits	5,460	6,395
Other non-current liabilities	155	147
<i>Total non-current liabilities</i>	<u>20,615</u>	<u>21,542</u>
TOTAL LIABILITIES	<u>36,208</u>	<u>77,415</u>
NET ASSETS		
Unitholders' capital, 4,000,000 units authorized		
79,035 units issued and outstanding	36,529	36,529
Retained earnings	184	954
TOTAL NET ASSETS	<u>36,713</u>	<u>37,484</u>
TOTAL LIABILITIES AND NET ASSETS	<u>72,921</u>	<u>114,899</u>

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

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION
STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Six Months Ended
June 30, 2008

	<u>March 26, 2007 to</u> <u>December 31, 2007</u> <u>(JPY in Millions)</u>	<u>January 1, 2008 to</u> <u>June 30, 2008</u> <u>(JPY in Millions)</u>
Operating revenues		
Rental and other operating revenues	806	2,851
	<u>806</u>	<u>2,851</u>
Operating expenses		
Property-related expenses	281	1,070
Asset management fees	89	342
Custodian fees	3	5
General administration fees	9	22
Other	41	61
	<u>424</u>	<u>1,500</u>
Operating income	382	1,350
Non-operating revenues		
Non-operating revenues	4	13
Non-operating expenses		
Interest expense	68	332
Amortization of offering costs	17	34
Organization costs	100	-
Other non-operating expenses	16	42
	<u>185</u>	<u>955</u>
Income before income taxes	185	955
Income taxes	2	1
Net income	<u>184</u>	<u>954</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, 2008

	<u>March 26, 2007 to</u> <u>December 31, 2007</u> <u>(JPY in Millions)</u>	<u>January 1, 2008 to</u> <u>June 30, 2008</u> <u>(JPY in Millions)</u>
Cash Flows from Operating Activities:		
Income before income taxes	185	955
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	258	721
Interest expense	68	332
Amortization of capital issuance costs	17	34
Consumption tax refundable	(1,522)	461
Rental receivables	-	(144)
Accounts payables	106	97
Rent received in advance	359	170
Accrued expenses and other liabilities	4	136
Other non-current liabilities	155	-
Other, net	(181)	(377)
Net cash provided by operating activities	(551)	2,386
Cash Flows from Investing Activities:		
Purchases of property and equipment	(67,005)	(42,868)
Proceeds from (payment of) tenant leasehold and security deposits	5,460	935
Proceeds from (payment of) deposits and others	(10)	-
Net cash used in investing activities	(61,555)	(41,933)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	15,000	40,000
Proceeds from long-term debt	15,000	-
Proceeds from issuance of investment units	36,333	-
Payments of unit issuance costs	-	(9)
Distribution payments	-	(183)
Net cash provided by financing activities	66,333	39,808
Net change in cash and cash equivalents	4,227	261
Cash and cash equivalents at beginning of period	-	4,227
Cash and cash equivalents at end of period	4,227	4,487

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, 2008(JPY in Millions)</u>	<u>% of Total Portfolio</u>
Industrial Properties							
IIF Shinonome Logistics Center	2006	Koto Ward, Tokyo	19-Oct-07	53	13,700	15,300	13.5%
IIF Musashi Murayama Logistics Center	2003	Musashimurayama, Tokyo	19-Oct-07	100	8,000	8,740	7.7%
IIF Funabashi Logistics Center	2007	Funabashi, Chiba	19-Oct-07	100	9,000	10,500	9.3%
IIF Noda Logistics Center	2006	Noda, Chiba	19-Oct-07	100	6,500	7,240	6.4%
IIF Shinsuna Logistics Center	1998	Koto Ward, Tokyo	19-Oct-07	100	5,300	5,870	5.2%
IIF Atsugi Logistics Center	2005	Atsugi, Kanagawa	19-Oct-07	100	2,100	2,350	2.1%
IIF Koshigaya Logistics Center	1985	Koshigaya, Saitama	19-Oct-07	100	2,000	2,270	2.0%
IIF Nishinomiya Logistics Center	1997	Nishinomiya, Hyogo	19-Oct-07	100	1,300	1,560	1.4%
subtotal					47,900	53,830	47.5%
Infrastructure Property							
IIF Kobe District Heating and Cooling Center	1990	Kobe, Hyogo	19-Oct-07	100	18,100	18,000	15.9%
IIF Haneda Airport Maintenance Center	1993	Ota Ward, Tokyo	29-Feb-08	100	41,110	41,500	36.6%
subtotal					59,210	59,500	52.5%
Grand Total					107,110	113,330	100.0%

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, 2008 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of June 30, 2008</u>	<u>Rental Revenue in 2nd Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
Industrial Properties							
IIF Shinonome Logistics Center	1	13,774	27,493.29	27,493.29	100.0%	398	13.9%
IIF Musashi Murayama Logistics Center	1	7,951	40,884.25	40,884.25	100.0%	277	9.7%
IIF Funabashi Logistics Center	2	8,908	42,336.00	42,336.00	100.0%	341	12.0%
IIF Noda Logistics Center	2	6,483	38,828.10	38,828.10	100.0%	242	8.5%
IIF Shinsuna Logistics Center	1	5,341	5,741.75	5,741.75	100.0%	164	5.7%
IIF Atsugi Logistics Center	1	2,081	10,959.68	10,959.68	100.0%	75	2.6%
IIF Koshigaya Logistics Center	1	2,002	10,113.50	10,113.50	100.0%	75	2.6%
IIF Nishinomiya Logistics Center	1	1,308	10,608.00	10,608.00	100.0%	60	2.1%
subtotal	10	47,848	186,964.57	186,964.57	100.0%	1,631	57.2%
Infrastructure Property							
IIF Kobe District Heating and Cooling Center	1	18,477	11,189.36	10,909.23	97.5%	379	13.3%
IIF Haneda Airport Maintenance Center	1	42,569	81,995.81	81,995.81	100.0%	841	29.5%
subtotal	2	61,046	93,185.17	92,905.04	99.7%	1,219	42.8%
Grand Total	12	108,894	280,149.74	279,869.61	99.9%	2,851	100.0%

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