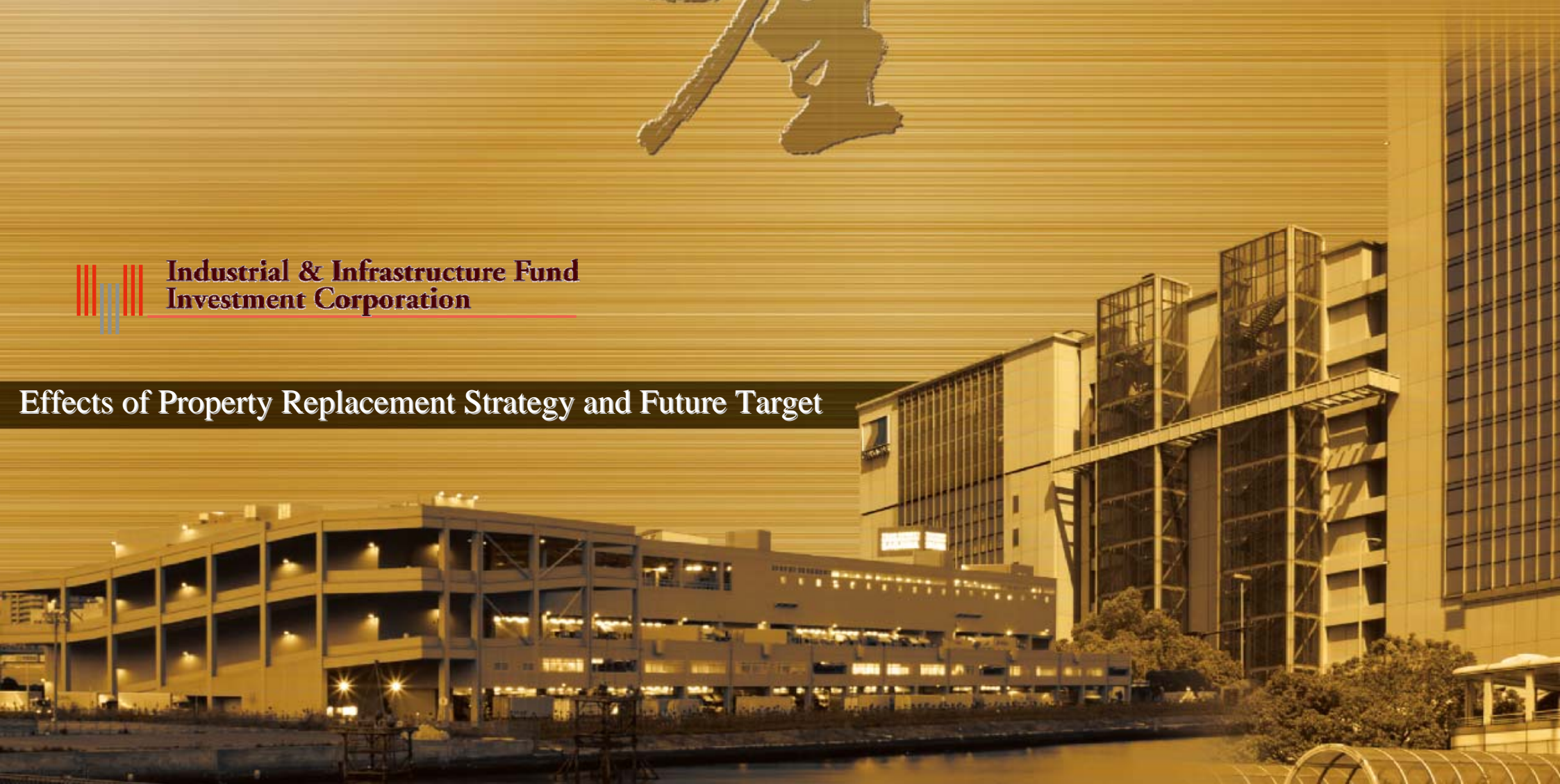


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**Industrial & Infrastructure Fund
Investment Corporation**

Effects of Property Replacement Strategy and Future Target






Effects of Property Replacement Strategy and Future Target (Simulation)

March 9, 2010

Effects of Property Replacement

Impacts on Forecast Dividend Per Unit by Replacing Properties in the 6th Period

Properties Acquired	L-9 IIF Narashino Logistics Center (land with leasehold) Acquired on Feb. 16, 2010	
	Summary of Property	Impact on Dividend Forecast
	<ul style="list-style-type: none"> Acquisition Price : 1,190 million yen NOI cap rate : 6.3% NOI cap rate after depreciation : 6.3% 	<ul style="list-style-type: none"> 6th period UP approx. 370 yen - (1) (Operation period approx. 4.5 months) Ongoing basis UP approx. 470 yen (6-month fiscal period)
	F-1 IIF Totsuka Technology Center (land with leasehold) To be acquired on Mar. 31, 2010	
	Summary of Property	Impact on Dividend Forecast
	<ul style="list-style-type: none"> Acquisition Price : 4,500 million yen NOI cap rate : 6.1% NOI cap rate after depreciation : 6.1% 	<ul style="list-style-type: none"> 6th period UP approx. 860 yen - (2) (Operation period approx. 3.0 months) Ongoing basis UP approx. 1,730 yen (6-month fiscal period)
Property Sold	L-3 IIF Funabashi Logistics Center To be sold on Mar. 19, 2010	
	Summary of Property	Impact on Dividend Forecast
	<ul style="list-style-type: none"> Sale price : 9,020 million yen Book value : 8,500 million yen Profit on sale : 459 million yen NOI cap rate : 6.3% NOI cap rate after depreciation : 3.7% 	<ul style="list-style-type: none"> 6th period Down approx. 1,490 yen (Loss of income for approx. 3.5 months) - (3) Profit on sale UP approx. 5,800 yen - (4) Ongoing basis Down approx. 2,110 yen (6-month fiscal period)

Forecast of Effects on Dividend Per Unit in the 6th period by Replacing Properties

6 th period dividend (actual) 10,342 yen	+	Impact of replacing properties (1)+(2)+(3)+(4) UP approx. 5,540 yen	+	Interest-bearing debt cost reduction UP approx. 340 yen Increased repair expense/other Down approx. 330 yen	=	6 th period dividend forecast 15,893 yen
Forecast dividend per unit on an ongoing basis after replacement (Note 1) Approx. 10,000 yen						

Future Target (Simulation)

Utilize acquisition capacity remaining after sale of IIF Funabashi Logistics Center

Acquisition capacity after IIF Totsuka Technology Center acquisition **Approx. 4,000 million yen**

Property acquisition using acquisition capacity

~ Targeted further dividend increase ~



【 Acquisition Target】
Land with leasehold such as factories

Impacts on dividend forecast on ongoing basis of additional property acquisition (Note 2)

		Additional acquisition price		
		3 billion yen	3.5 billion yen	4 billion yen
NOI cap after	5.75%	+1,091yen	+1,273yen	+1,455yen
	6.00%	+1,138yen	+1,328yen	+1,518yen
Depriciation	6.25%	+1,186yen	+1,383yen	+1,581yen

Effect of additional property acquisition (simulation) (Note 3)

Forecast dividend per unit on an ongoing basis (target)

UP approx. 1,000~1,500 yen
(Note 2)

(Note 1) Interest-bearing debt cost is calculated based on existing borrowing conditions. Repair expense is calculated based on the annual average described in the engineering report.

(Note2) Forecast increases in dividend are simulations based only on the expected increases in profit from the lease income from additional properties acquired.

(Note3) Additional replacement is our target at the moment but has not been determined in specific terms. IIF does not guarantee that the acquisition will be achieved as planned.

Disclaimer

- ▶ This material may contain information such as data on future performances, plans, management targets and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends of the business environment, but these hypotheses and assumptions are not necessarily correct. Actual results may significantly vary due to various factors.
- ▶ This material is prepared based on the accounting policy in Japan unless otherwise noted.
- ▶ This material is to be used for analyzing the financial results of IIF and is not prepared for the purpose of soliciting the acquisition of IIF's investment securities or the signing of a financial instruments contract. When investing, we ask investors to invest at their own responsibility and by making their own judgment.

Asset Management Company: Mitsubishi Corp. – UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer)
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