

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION SUMMARY OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2012

August 8, 2012

Name of issuer:	Industrial & Infrastructure Fund Investment Corporation ("the Investment Corporation")
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	3249
Website:	http://www.iif-reit.com/
Representative of the Investment Corporation:	Yasuyuki Kuratsu, Executive Director
Name of asset manager:	Mitsubishi Corp.-UBS Realty Inc.
Representative of the asset manager:	Takuya Kuga, President & CEO
Contact:	Yoshito Nishikawa, Head of Industrial Division Tel: (03)5293-7091
Scheduled date for filing of securities report:	September 27, 2012
Scheduled date for distributions payment:	September 14, 2012
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 June 30, 2012 (January 1, 2012 to June 30, 2012)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended June 30, 2012	4,458	26.4	2,473	34.8	1,767	52.3	1,852	59.9
December 31, 2011	3,526	7.0	1,834	13.1	1,159	11.7	1,158	13.4

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
For the six months ended June 30, 2012	14,961	3.5	1.3	39.6
December 31, 2011	12,377	2.7	1.0	32.9

(2) Distributions

	Distributions (excluding distributions in excess of profit)		Distributions in excess of profit		Payout ratio	Ratio of distributions to net assets
	Per unit	Total	Per unit	Total		
	Yen	Millions of yen	Yen	Millions of yen	%	%
For the six months ended June 30, 2012	13,176	1,852	0	0	100.0	2.9
December 31, 2011	12,377	1,158	0	0	100.0	2.7

Note: Payout ratio for the six months ended June 30, 2012 is calculated by following formula as new investment units were issued during the period.

$$\text{Payout ratio} = \text{Total of distributions} \div \text{Net income} \times 100$$

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2012	154,937	63,734	41.1	453,200
December 31, 2011	112,947	43,400	38.4	463,517

(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
June 30, 2012	1,790	(36,115)	36,298	6,332
December 31, 2011	1,652	(160)	(1,152)	4,358

2. Outlook for the six months ending December 31, 2012 (July 1, 2012 to December 31, 2012)

(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	%
December 31, 2012	5,021	12.6	2,817	13.9	2,006	13.5	2,005	8.3

	Net income per unit		Distributions per unit (excluding distributions in excess of profit)		Distributions in excess of profit per unit	
For the six months ending	Yen		Yen		Yen	
December 31, 2012	14,263		14,263		0	

3. 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 units issued

Number of units issued at end of period (including treasury units):

As of June 30, 2012 140,632 units

As of December 31, 2011 93,632 units

Number of treasury units at end of period:

As of June 30, 2012 0 unit

As of December 31, 2011 0 unit

Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 20.

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 “2. Management policy and results of operation, (2) State of operation, B. Outlook for the next period” on page 4-6.

1. Summary of related corporations of the Investment Corporation

There have been no significant changes to the “structure of the investment corporation” since the most recent financial report (submitted March 29, 2012), and hence, description of these matters is omitted.

2. Management policy and results of operation

(1) Management policies

There have been no significant changes to the “investment policies,” “investment targets” and “distribution policies” in the most recent financial report (submitted March 29, 2012), and hence, description of these matters is omitted.

(2) State of operations

A Operations during the period

i Major developments and management performance of IIF

IIF was established on March 26, 2007 and became listed on the REIT securities market of the Tokyo Stock Exchange on October 18, 2007 (securities identification 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 in logistics facilities, manufacturing and research and development (R&D) facilities, and infrastructure facilities which play a vital role in various industrial activities and are expected to be utilized stably in the medium and long term. As the only listed J-REIT specializing in industrial properties, IIF aims to further improve and stabilize its distribution level by improving and stabilizing profit as a result of property acquisition that leverages an environment with limited competition.

During the current period, IIF acquired six properties for a total acquisition price of 37,274 million yen through public offering of new investment units and borrowing: IIF Atsugi Logistics Center III (for 2,290 million yen), IIF Mitaka Card Center (for 8,700 million yen), IIF Shinonome R&D Center (for 8,800 million yen), IIF Kamata R&D Center (for 7,200 million yen), IIF Zama IT Solution Center (for 5,384 million yen) and the IIF Shinagawa Data Center (for 4,900 million yen). On the property management front, IIF signed a new contract with a new tenant for IIF Atsugi Logistics Center, for which the existing contract expired on June 30, 2012. The new five-year Fixed-term lease contract takes effect on July 1, 2012. IIF also signed a new 12-year Fixed-term lease contract that provides additional leasable area with Osaka Gas, the present tenant, for the IIF Kobe District Heating and Cooling Center on June 6, 2012.

As a results, the properties IIF owned as of June 30, 2012 consisted of 13 logistics facilities, four infrastructure facilities and five manufacturing and R&D facilities whose total acquisition price amounted to 145,514 million yen. The total leasable area as of June 30, 2012 was 466,479.86 m², and the average occupancy rate remained at 99.9%. The average occupancy rate as of July 1, 2012 came to 100%.

ii Funding

1) Debt finance

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.

In March 2012, IIF raised about 19.6 billion yen through public offering of new investment units in order to raise funds for acquiring new properties, aimed at stably increasing NAV per unit and distribution per unit. As a result, total outstanding investment units as of the end of the current period came to 140,632, up 47,000 units.

As regards procurement of funds through interest-bearing debt for the current period, IIF raised a total of 18,000 million yen (9,000 million yen on both March 6, 2012 and March 30, 2012) in order to acquire new properties to coincide with the above-mentioned public offering of new investment units. IIF extended the remaining term of loans payable by means such as taking out a 12-year loan, the longest for J-REIT as of

the time the said borrowing was made, with Development Bank of Japan Inc. and signing an interest-rate swap contract to fix borrowing rates at long-term rates to enhance the stability of financial base. In addition, IIF invited Mizuho Corporate Bank, Ltd. as a new lender in an effort to diversify funding sources.

On June 29, 2012, IIF newly made a long-term loan of 2,000 million yen and redeemed subordinated loan of 2,000 million yen prior to maturity on the same day. IIF thereby has been striving to replace loans with long-term fixed-rate loans to increase its financial stability and reduce financing costs. In addition, IIF invited Nippon Life Insurance Company as a new lender to further diversify funding sources. As a result of the above, interest-bearing debt as of June 30, 2012 increased 18,000 million yen from the end of the previous period, and long-term loans payable including the current portion of long-term loans payable amounted to 80,000 million yen.

IIF was newly assigned the rating of “AA-/Stable” with regards to its long-term senior debts by Japan Credit Rating Agency, Ltd. (JCR) during the current period.

iii Overview of financial results and distribution

As a result of the abovementioned management activities, IIF recorded operating revenue of 4,458 million yen, operating income of 2,473 million yen, ordinary income of 1,767 million yen and net income of 1,852 million yen for the current period. For distributions, IIF intended to include profit distributions in deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Measures concerning Taxation and determined to distribute the entire unappropriated retained earnings for the current period excluding fractions (distribution per unit = fractions less than one yen). Therefore, the distribution per unit was 13,176 yen.

B Outlook for the next period

i Outlook for the overall management and issues to be solved

Looking at the global economy, while the U.S. economy has remained robust, the momentum of economic growth in China has weakened. Coupled with turmoil in the Euro zone, the Chinese economy is expected to continue facing a difficult situation. The Japanese economy, meanwhile, is underpinned by reconstruction-related demand with strong consumption, and is relatively firm in comparison to other economies in the world. The recovery of the Japanese economy is forecast to slacken in the latter half of 2012 due to factors that will weigh down growth such as termination of the eco-car subsidy program.

Management of logistic facilities remains stable. In the logistic facilities trading market, a leading private equity management company purchased logistic facilities in Osaka and has attracted attention as a new logistic investor. In the logistic facilities lease market, the availability ratio has remained at high levels. Logistic facilities owned by IIF are versatile and conveniently located, and are expected to be used for a medium to long period of time by their tenants as important operational bases.

As for manufacturing and R&D facilities, consolidation and overseas transfer of plants became prominent due to the prolonged appreciation of the yen. Meanwhile, since there remain concerns about an outflow of technologies regarding building manufacturing and R&D facilities overseas, many companies maintain and build manufacturing and R&D facilities that handle their core technologies in Japan. For the R&D facilities IIF owns, stable and long-term usage by tenants can be expected, supported by long-term lease contracts.

In addition, infrastructure facilities are used stably as an industrial base and expected to be used in the long term as a facility essential to local communities and business activities of tenants. IIF signed a fixed-term building lease contract (longer than 10 years) for the infrastructure facilities it owns, and stable rent revenue can be expected.

IIF will continue to maintain a stable rent revenue, promote external growth and continuously reinforce its financial strength, aiming to sustainably increase distributions.

ii Prospects for results in the next period

IIF expects to record operating revenue of 5,021 million yen, operating income of 2,817 million yen, ordinary income of 2,006 million yen, net income of 2,005 million yen and distribution per unit of 14,263 yen for the 11th Period (July 1, 2012 to December 31, 2012). For details of the assumptions made in this forecast, please see “Assumptions for earnings forecast for the 11th Period (July 1, 2012 to December 31, 2012)” below.

IIF assumes the following main factors will cause an increase or decrease in earnings from the 10th Period (January 1, 2012 to June 30, 2012).

(Operating revenue) (Increase of 562 million yen from the previous period)

- Full-year contribution of lease business revenue from six properties acquired in the 10th Period
- Decrease in rent revenue from the IIF Kobe District Heating and Cooling Center

(Operating expense) (Increase of 218 million yen from the previous period)

- Full-year occurrence of lease business expense on six properties acquired in the 10th Period

(Non-operating expense) (Increase of 102 million yen from the previous period)

- Full-year occurrence of interest expense on new borrowing of 18,000 million yen, arranged in the 10th Period

(Extraordinary profit) (Decrease of 86 million yen from the previous period)

- Absence of insurance income from typhoon damage

Note The forecast mentioned above is calculated at present based on certain assumptions. Actual net income and distribution may fluctuate due to changes in the circumstances. This forecast does not guarantee the amount of distribution.

Assumptions made in the earnings forecast for the 11th Period (July 1, 2012 to December 31, 2012)

Item	Assumptions
Calculation period	11th Period July 1, 2012 to December 31, 2012 (184 days)
Properties owned	The forecast is based on the 22 properties IIF owned as of June 30, 2012. It is assumed that there will be no change in properties by the end of December 2012, but in reality, there may be some changes due to acquisition or disposal of other properties.
Interest-bearing debt	Interest-bearing debt as of June 30, 2012 amounted to 80,000 million yen, which consisted of long-term borrowings (of 3,900 million yen was subordinated loans) (Long-term borrowings due within one year was included.) It is assumed that all of subordinated loans will be early repaid due to new borrowings as of September 28, 2012.
Operating revenue	In the 11th Period, it is assumed that there will be no back rent or nonpayment by tenants based on the assumptions made for “Properties owned” above.
Operating expense	Property tax, urban planning tax and depreciable property tax of approximately 258 million yen and a repair cost of approximately 82 million yen are assumed. Depreciation expense (including ancillary expenses, etc.) is calculated by the straight-line method, and its assumed amount is approximately 765 million yen. Outsourcing expense (property management fee and building management commission fee, etc.) is calculated based on past expenses.

Non-operating expense	Interest expense and other borrowing-related expenses of approximately 770 million yen are assumed based on the assumptions made in “Interest-bearing debt” above. The amortization expense for the issuance cost of new investment units is expected to be approximately 39 million yen.
Issuance of investment units	The forecast is based on the total outstanding investment units of 140,632 as of June 30, 2012.
Distribution per unit	It is assumed that the entire unappropriated retained earnings for the current period excluding fractions (distribution per unit = amounts less than one yen) will be distributed.
Distribution of excess profit per unit	There is no plan at present to distribute excess profit (distribution of excess profit per unit).

3. Financial information

(1) Balance sheets

	As of		Increase (Decrease)	
	December 31, 2011	June 30, 2012		
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
ASSETS				
Current assets:				
Cash and bank deposits	2,955,105	4,364,730	1,409,625	
Cash and bank deposits in trust	1,403,403	1,967,342	563,939	
Rental receivables	3,536	36,519	32,983	
Prepaid expenses	315,500	794,579	479,079	
Deferred tax assets	19	17	(2)	
Consumption taxes refundable	—	740,243	740,243	
Other	121	5,700	5,578	
Total current assets	4,677,686	7,909,133	3,231,446	69.1
Noncurrent assets:				
Property, plant and equipment:				
Buildings, at cost	25,238,297	27,273,859	2,035,562	
Less: Accumulated depreciation	(2,031,468)	(2,299,718)	(268,249)	
Buildings, net	23,206,828	24,974,141	1,767,313	
Structures, at cost	26,882	26,882	0	
Less: Accumulated depreciation	(90)	(536)	(445)	
Structures, net	26,792	26,346	(445)	
Tools, furniture and fixtures, at cost	388	388	—	
Less: Accumulated depreciation	(4)	(17)	(13)	
Tools, furniture and fixtures, net	383	370	(13)	
Land	4,850,847	7,841,536	2,990,688	
Construction in progress	—	198,423	198,423	
Buildings in trust, at cost	22,892,201	36,265,894	13,373,693	
Less: Accumulated depreciation	(2,457,295)	(2,861,389)	(404,094)	
Buildings in trust, net	20,434,905	33,404,505	12,969,599	
Structures in trust, at cost	379,815	379,815	0	
Less: Accumulated depreciation	(170,690)	(191,818)	(21,127)	
Structures in trust, net	209,124	187,996	(21,127)	
Tools, furniture and fixtures in trust, at cost	3,306	3,306	—	
Less: Accumulated depreciation	(931)	(1,367)	(435)	
Tools, furniture and fixtures in trust, net	2,374	1,938	(435)	
Land in trust	39,026,479	59,517,963	20,491,483	
Total net property, plant and equipment	87,757,736	126,153,221	38,395,484	43.8
Intangible assets:				
Leasehold right (Note 3)	19,833,966	19,833,966	—	
Total intangible assets	19,833,966	19,833,966	—	0.0
Investments and other assets:				
Lease and guarantee deposits	10,000	10,000	—	
Long-term prepaid expenses	629,595	840,018	210,423	
Total investments and other assets	639,595	850,018	210,423	32.9
Total noncurrent assets	108,231,298	146,837,206	38,605,907	35.7
Deferred assets:				
Investment unit issuance costs	38,454	191,396	152,942	
Total deferred assets	38,454	191,396	152,942	397.7
TOTAL ASSETS	112,947,439	154,937,735	41,990,296	37.2

The accompanying notes in “(6) Notes to financial information” are an integral part of these statements.

	As of		Increase (Decrease)	
	December 31, 2011	June 30, 2012		
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
LIABILITIES				
Current liabilities:				
Operating accounts payable	79,045	152,621	73,575	
Current portion of long-term loans payable	—	10,000,000	10,000,000	
Accounts payable – other	246,264	433,704	187,439	
Accrued expenses	11,337	11,995	657	
Income taxes payable	901	911	10	
Accrued consumption taxes	108,211	—	(108,211)	
Advances received	569,230	1,250,307	681,077	
Other	20,419	384,947	364,528	
Total current liabilities	1,035,410	12,234,487	11,199,077	1081.6
Noncurrent liabilities:				
Long-term loans payable	62,000,000	70,000,000	8,000,000	
Tenant leasehold and security deposits	1,297,470	1,974,579	677,109	
Tenant leasehold and security deposits in trust	5,124,423	6,912,252	1,787,828	
Other	90,083	81,975	(8,107)	
Total noncurrent liabilities	68,511,977	78,968,808	10,456,830	15.3
TOTAL LIABILITIES	69,547,388	91,203,296	21,655,908	31.1
NET ASSETS				
Unitholders' equity:				
Unitholders' capital	42,241,132	61,881,445	19,640,313	46.5
Surplus:				
Retained earnings	1,158,918	1,852,994	694,075	
Total surplus	1,158,918	1,852,994	694,075	59.9
Total unitholders' equity	43,400,051	63,734,439	20,334,388	46.9
TOTAL NET ASSETS (Note 4)	43,400,051	63,734,439	20,334,388	46.9
TOTAL LIABILITIES AND NET ASSETS	112,947,439	154,937,735	41,990,296	37.2

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(2) Statements of income and retained earnings

	For the six months ended		Increase (Decrease)	
	December 31, 2011	June 30, 2012		
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
Operating revenue				
Rental revenue—real estate (Note 5)	3,526,495	4,458,517	932,022	
Total operating revenue	3,526,495	4,458,517	932,022	26.4
Operating expenses				
Expenses related to rent business (Note 5)	1,237,395	1,455,839	218,444	
Asset management fees	342,103	443,470	101,367	
Directors' compensations	5,820	5,820	—	
Asset custody fees	5,648	5,126	(522)	
Administrative service fees	22,302	24,853	2,550	
Other	78,681	50,258	(28,423)	
Total operating expenses	1,691,951	1,985,367	293,416	17.3
Operating income	1,834,544	2,473,150	638,606	34.8
Non-operating income				
Interest income	544	397	(147)	
Interest on refund	1,148	—	(1,148)	
Other	901	1,310	408	
Total non-operating income	2,594	1,707	(886)	(34.2)
Non-operating expenses				
Interest expenses	400,006	467,314	67,307	
Interest expenses on investment corporation bonds (Note 6)	39,215	—	(39,215)	
Amortization of investment corporation bond issuance costs	14,609	—	(14,609)	
Borrowing related expenses	209,699	207,120	(2,578)	
Amortization of investment unit issuance costs	8,874	29,101	20,227	
Other	4,821	4,233	(587)	
Total non-operating expenses	677,225	707,769	30,544	4.5
Ordinary income	1,159,912	1,767,087	607,175	52.3
Extraordinary income				
Insurance income	—	86,864	86,864	
Total extraordinary income	—	86,864	86,864	—
Income before income taxes	1,159,912	1,853,952	694,039	59.8
Income taxes				
Current	1,009	990	(18)	
Deferred	(0)	2	2	
Total income taxes	1,009	993	(16)	(1.6)
Net income	1,158,903	1,852,958	694,055	59.9
Retained earnings brought forward	15	35	19	
Unappropriated retained earnings	1,158,918	1,852,994	694,075	

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(3) Statements of changes in net assets

(Thousands of yen)

For the six months ended December 31, 2011

	Unitholders' capital (Note 4)	Unitholders' equity		Total unitholders' equity	Total net assets
		Surplus			
		Retained earnings	Total surplus		
Balance as of June 30, 2011	42,241,132	1,022,383	1,022,383	43,263,515	43,263,515
<u>Changes during the period</u>					
Dividends from surplus	—	(1,022,367)	(1,022,367)	(1,022,367)	(1,022,367)
Net income	—	1,158,903	1,158,903	1,158,903	1,158,903
<u>Total changes during the period</u>	—	136,535	136,535	136,535	136,535
Balance as of December 31, 2011	42,241,132	1,158,918	1,158,918	43,400,051	43,400,051

For the six months ended June 30, 2012

	Unitholders' capital (Note 4)	Unitholders' equity		Total unitholders' equity	Total net assets
		Surplus			
		Retained earnings	Total surplus		
Balance as of December 31, 2011	42,241,132	1,158,918	1,158,918	43,400,051	43,400,051
<u>Changes during the period</u>					
Issuance of new investment units	19,640,313	—	—	19,640,313	19,640,313
Dividends from surplus	—	(1,158,883)	(1,158,883)	(1,158,883)	(1,158,883)
Net income	—	1,852,958	1,852,958	1,852,958	1,852,958
<u>Total changes during the period</u>	19,640,313	694,075	694,075	20,334,388	20,334,388
Balance as of June 30, 2012	61,881,445	1,852,994	1,852,994	63,734,439	63,734,439

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(4) Statements of cash distributions

(Yen)

	For the six months ended	
	December 31, 2011	June 30, 2012
Unappropriated retained earnings	1,158,918,861	1,852,994,517
Cash distribution declared	1,158,883,264	1,852,967,232
(Cash distribution declared per unit)	(12,377)	(13,176)
Retained earnings carried forward	35,597	27,285

Note:

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, cash distributions declared for the six months ended December 31, 2011 and June 30, 2012 were ¥1,158,883,264 and ¥1,852,967,232, respectively, which were all of retained earnings at the end of each period except for fractional distribution per unit less than one yen. The Investment Corporation generally does not make distribution in excess of profit prescribed in the article of incorporation 25, Paragraph 2.

(5) Statements of cash flows

	For the six months ended		(Thousands of yen)
	December 31, 2011	June 30, 2012	Increase (Decrease)
Net cash provided by (used in) operating activities:			
Income before income taxes	1,159,912	1,853,952	694,039
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	586,051	694,365	108,314
Amortization of investment corporation bond issuance costs	14,609	—	(14,609)
Amortization of investment unit issuance costs	8,874	29,101	20,227
Interest income	(544)	(397)	147
Interest expenses	439,221	467,314	28,092
Insurance income	—	(86,864)	(86,864)
Changes in assets and liabilities:			
Increase in operating accounts receivable	(221)	(32,983)	(32,762)
Decrease (increase) in consumption taxes refundable	106,913	(736,879)	(843,793)
Decrease (increase) in prepaid expenses	291,257	(479,079)	(770,336)
Increase in long-term prepaid expenses	(180,832)	(210,423)	(29,590)
Increase in operating accounts payable	12,366	45,504	33,137
Increase in accounts payable - other	27,583	40,337	12,753
Increase (decrease) in accrued expenses	4,096	(39)	(4,135)
Increase (decrease) in accrued consumption taxes	110,464	(110,464)	(220,928)
Increase (decrease) in advances received	(329,210)	681,077	1,010,287
Decrease in other noncurrent liabilities	(8,141)	(8,107)	34
Other, net	(62,588)	30,432	93,021
Subtotal	2,179,813	2,176,847	(2,965)
Interest income received	544	397	(147)
Interest expenses paid	(514,162)	(466,618)	47,544
Insurance income received	—	81,209	81,209
Payments for loss on disaster	(12,990)	—	12,990
Income taxes paid	(912)	(980)	(67)
Net cash provided by operating activities	1,652,291	1,790,855	138,563
Net cash provided by (used in) investing activities:			
Purchases of property, plant and equipment	(49,613)	(5,240,047)	(5,190,433)
Purchases of property, plant and equipment in trust	(111,369)	(33,675,740)	(33,564,371)
Proceeds from tenant leasehold and security deposits	—	677,109	677,109
Proceeds from tenant leasehold and security deposits in trust	318	2,161,940	2,161,622
Payments of tenant leasehold and security deposits in trust	—	(38,566)	(38,566)
Net cash used in investing activities	(160,664)	(36,115,304)	(35,954,640)
Net cash provided by (used in) financing activities:			
Decrease in short-term loans payable	(1,100,000)	—	1,100,000
Proceeds from long-term loans payable	19,500,000	20,000,000	500,000
Repayments of long-term loans payable	(10,500,000)	(2,000,000)	8,500,000
Redemption of investment corporation bonds	(8,000,000)	—	8,000,000
Proceeds from issuance of investment units	—	19,640,313	19,640,313
Payments for investment unit issuance expenses	(30,059)	(182,043)	(151,983)
Dividends paid	(1,022,229)	(1,160,256)	(138,026)
Net cash provided by (used in) financing activities	(1,152,289)	36,298,013	37,450,303
Net change in cash and cash equivalents	339,337	1,973,564	1,634,226
Cash and cash equivalents at beginning of period	4,019,171	4,358,508	339,337
Cash and cash equivalents at end of period (Note 7)	4,358,508	6,332,072	1,973,564

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(6) Notes to financial information

Note 1 – Note rerating to going concern assumption

Nothing to be noted.

Note 2 – Summary of significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment is recorded at cost. Depreciation of property, plant and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

Buildings	13-63 years
Structures.....	7-20 years
Tools, furniture and fixtures	6-15 years

(b) Long-term prepaid expenses

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

(c) Investment unit issuance costs

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

(d) Investment corporation bond issuance costs

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

(e) 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 generally accepted accounting principles in Japan. 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, plant and equipment capitalized as part of the acquisition cost of properties amounted to ¥296,957 thousand for the six months ended June 30, 2012. For the six months ended December 31, 2011, no taxes on property, plant and equipment were capitalized.

(f) 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 prescribed in the Investment Corporation's articles of incorporation. The Investment Corporation hedges fluctuations in interest rates of loans payable by interest rate swaps as hedging instruments. The interest rate swaps which qualify for hedge accounting and meet specific criteria are not measured at fair value and interests received or paid under the interest rate swap contracts are recognized on an accrual basis.

(g) 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.

(h) 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 sheets of the Investment Corporation.

(i) Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statements of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

Note 3 – 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 4 – Unitholders' equity

(1) Number of units

	As of	
	December 31, 2011	June 30, 2012
Authorized	4,000,000 units	4,000,000 units
Issued and outstanding	93,632 units	140,632 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 5 – Rent revenue—real estate and expenses related to rent business

Rent revenue—real estate and expenses related to rent business for the six months ended December 31, 2011 and June 30, 2012 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	December 31, 2011	June 30, 2012
Rental revenue—real estate:		
Rental and parking revenue	3,430,645	4,372,961
Common area charges	12,964	64,302
Other	82,885	21,253
Total rental revenue—real estate	3,526,495	4,458,517
Expenses related to rent business:		
Property management fees	12,883	16,267
Facility management fees	20,664	35,867
Utilities	15,081	65,926
Property-related taxes	239,807	249,386
Insurance	9,173	11,312
Repair and maintenance	32,076	34,712
Depreciation	586,051	694,365
Trust fees	8,080	9,117
Leasehold rents	313,231	338,378
Other	344	504
Total expenses related to rent business	1,237,395	1,455,839
Operating income from property leasing activities	2,289,099	3,002,677

Note 6 – Transaction with major unitholder

The Investment Corporation paid interest expenses on investment corporation bonds to a major unitholder totaling of ¥39,215 thousand for the six months ended December 31, 2011.

Note 7 – Cash and cash equivalents

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

	(Thousands of yen)	
	As of	
	December 31, 2011	June 30, 2012
Cash and bank deposits	2,955,105	4,364,730
Cash and bank deposits in trust	1,403,403	1,967,342
Cash and cash equivalents	4,358,508	6,332,072

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 December 31, 2011 and June 30, 2012 scheduled to be received are summarized as follows:

	As of	
	December 31, 2011	June 30, 2012
Due within one year	6,108,033	8,956,894
Due after one year	60,172,161	74,224,292
Total	66,280,194	83,181,187

(Thousands of yen)

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 bond 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 by investing 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 bond are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing loans payable. Tenant leasehold and security deposits are deposits from tenants. 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 assessment of hedge effectiveness is omitted when the interest rate swaps meet specific criteria indicating a high correlation between the hedged items and hedging instruments. 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 based on quoted market prices, if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated fair value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and valuation differences of financial instruments for which fair value is available as of December 31, 2011 and June 30, 2012.

(Thousands of yen)

	As of					
	December 31, 2011			June 30, 2012		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	2,955,105	2,955,105	—	4,364,730	4,364,730	—
(2) Cash and bank deposits in trust	1,403,403	1,403,403	—	1,967,342	1,967,342	—
Total assets	4,358,508	4,358,508	—	6,332,072	6,332,072	—
(1) Current portion of long-term loans payable	—	—	—	10,000,000	10,000,000	—
(2) Long-term loans payable	62,000,000	62,600,442	600,442	70,000,000	71,202,220	1,202,220
(3) Tenant leasehold and security deposits in trust	1,424,070	1,281,032	(143,038)	1,038,899	913,212	(125,686)
Total liabilities	63,424,070	63,881,474	457,404	81,038,899	82,115,432	1,076,533
Derivative instruments	—	—	—	—	—	—

Note (i): The methods and assumption used to estimate fair value are as follows:

Assets

(1) Cash and bank deposits and (2) Cash and bank deposits in trust

Because of their short maturities, the carrying amounts approximate their fair value.

Liabilities

(1) Current portion of long-term loans payable and (2) 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.

(3) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivative instruments

Please refer to "Note 10 - Derivative instruments."

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

(Thousands of yen)

	As of	
	December 31, 2011	June 30, 2012
Tenant leasehold and security deposits	1,297,470	1,974,579
Tenant leasehold and security deposits in trust	3,700,353	5,873,353
Total	4,997,823	7,847,933

Tenant lease hold and security deposits are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment dates of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

(Thousands of yen)

As of December 31, 2011	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	2,955,105	-	-	-	-	-
Cash and bank deposits in trust	1,403,403	-	-	-	-	-
Total	4,358,508	-	-	-	-	-

(Thousands of yen)

As of June 30, 2012	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	4,364,730	-	-	-	-	-
Cash and bank deposits in trust	1,967,342	-	-	-	-	-
Total	6,332,072	-	-	-	-	-

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

(Thousands of yen)

As of December 31, 2011	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Long-term loans payable	-	25,000,000	4,280,000	280,000	7,340,000	25,100,000
Total	-	25,000,000	4,280,000	280,000	7,340,000	25,100,000

(Thousands of yen)

As of June 30, 2012	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Long-term loans payable	10,000,000	15,140,000	4,280,000	280,000	14,200,000	36,100,000
Total	10,000,000	15,140,000	4,280,000	280,000	14,200,000	36,100,000

Note 10 – Derivative instruments

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

As of December 31, 2011

(Thousands of yen)

			Notional contract amount of derivative instruments		Fair value	Method used to estimate fair value
Method of hedge accounting	Derivative instruments	Hedged item	Over 1 year			
Special treatment for hedge accounting of interest rate swaps (Note (i))	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	22,100,000	22,100,000	Note (i)	-

As of June 30, 2012

(Thousands of yen)

15 of June 30, 2012							(Thousands of yen)
Method of hedge accounting	Derivative instruments	Hedged item	Notional contract amount of derivative instruments		Fair value	Method used to estimate fair value	
				Over 1 year			
Special treatment for hedge accounting of interest rate swaps (Note (i))	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	38,100,000	38,100,000	Note (i)	-	

Note:

- (i) The interest rate swaps which qualify for hedging accounting and meet specific criteria are not measured at fair value and interests received or paid under the interest rate swap contracts are recognized on an accrual basis. The fair value of the hedging interest rate swaps is included in the fair value of hedged long-term loans payable. Please refer to Note (i) in "Note 9 - Financial instruments (b) Quantitative information for financial instruments."

Note 11 – Related-party transactions

The following table shows related-party transactions for the six months ended December 31, 2011.

For the six months ended December 31, 2011:

Type of related-party	Company name	Location	Share capital (Thousands of yen)	Business	Voting interest in the Investment Corporation	Relation with the Investment Corporation	Transactions for the period		Balance at end of the period	
							Type of transaction	Amounts (Thousands of yen)	Balance sheet account	Amounts (Thousands of yen)
Major unitholder	Mitsubishi Corporation	Chiyoda-ku, Tokyo	204,446,667	Trade and general business	Directly 10.25% Indirectly 0.64%	Underwriter of investment corporation bond	Repayments of investment corporation bond	8,000,000	—	—
							Interest expenses on investment corporation bond ⁽ⁱⁱ⁾	39,215	—	—
Subsidiary of major unitholder	Mitsubishi Corp.-UBS Realty Inc. ⁽ⁱ⁾	Chiyoda-ku, Tokyo	500,000	Asset management	Directly 0.64%	The asset manager	Asset management fee ^{(iii)(iv)}	342,103	Accounts payable — other ^(iv)	179,354

Notes:

- (i) The company is subsidiary of Mitsubishi Corporation.
(ii) The terms and conditions of the investment corporation bond were reasonably decided based on the comparative analyses of the various third party cases including analysis of the interest rate spreads with other J-REIT senior bank loans and subordinated bonds issued by banks and analysis of the costs of debt and capital.
(iii) The asset management fee has been decided based on third party transactions.
(iv) Consumption taxes are excluded from the amounts of transactions, but included in the amounts of balances.

For the six months ended June 30, 2012, there were no related-party transactions to be disclosed.

Note 12 – Income taxes

Deferred tax assets consist of the following:

	(Thousands of yen)	
	As of	
	December 31, 2011	June 30, 2012
Deferred tax assets:		
Current:		
Enterprise tax payable	19	17
Total	19	17
Net deferred tax assets	19	17

A reconciliation of the Investment Corporation's effective tax rates and statutory tax rate is as follows:

	For the six months ended	
	December 31, 2011	June 30, 2012
Statutory tax rate	39.33%	39.33%
Deductible cash distributions	(39.29)	(39.31)
Other	0.05	0.03
Effective tax rates	0.09%	0.05%

Note 13 – Asset retirement obligations

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 to be extended or is to be revoked. The Investment Corporation, however, expects that, unless exceptional circumstances arise, the permission will continue to be granted until the Investment Corporation voluntarily demolish the property considering 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 in the foreseeable future, it is difficult to determine the timing of performance of the asset retirement obligation and as such it is impossible to foresee the amount of the asset retirement obligation reasonably. 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 industrial and 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 the aggregate for the six months ended December 31, 2011 and June 30, 2012.

	(Thousands of yen)	
	As of / For the six months ended	
	December 31, 2011	June 30, 2012
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	108,003,829	107,591,702
Net increase (decrease) during the period ⁽ⁱⁱ⁾	(412,126)	38,395,484
Balance at the end of the period	107,591,702	145,987,187
Fair value⁽ⁱⁱⁱ⁾	107,640,000	149,840,000

Note:

- (i) The net book value includes leasehold right.
(ii) For the six months ended December 31, 2011:
Changes in the net book value are mainly due to depreciation.

For the six months ended June 30, 2012:

Changes in the net book value are mainly due to the following acquisition offset by depreciation.

		Increase (decrease) in net book value
		(Thousands of yen)
Acquisitions:	IIF Atsugi Logistics Center III	2,397,069
	IIF Shinonome R&D Center	8,937,510
	IIF Kamata R&D Center	7,589,167
	IIF Zama IT Solution Center	5,567,399
	IIF Shinagawa Data Center	5,209,040
	IIF Mitaka Card Center	9,304,683

- (iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers.

For rental revenues and expenses for the six months ended December 31, 2011 and June 30, 2012, please refer to “Note 5 - Rent revenue—real estate and expenses related to rent business.”

Note 15 – Segment information

Segment information for the six months ended December 31, 2011 and June 30, 2012 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

For the six months ended December 31, 2011:

(Thousands of yen)

Name of customer	Revenues for the six months ended December 31, 2011	Relating segment
Japan Airlines Co., Ltd.	1,345,077	Property rental business
Sagawa Express Co., Ltd.	566,285	Property rental business
Osaka Gas Co., Ltd.	378,090	Property rental business

For the six months ended June 30, 2012:

(Thousands of yen)

Name of customer	Revenues for the six months ended June 30, 2012	Relating segment
Japan Airlines Co., Ltd.	1,362,953	Property rental business
Sagawa Express Co., Ltd.	566,285	Property rental business

Note 16 – Per unit information

The net asset value per unit as of December 31, 2011 and June 30, 2012 was ¥463,517 and ¥453,200, respectively. Net income per unit for the six months ended December 31, 2011 and June 30, 2012 was ¥12,377 and ¥14,961, respectively.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding during the six-month 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	
	December 31, 2011	June 30, 2012
Net income	1,158,903	1,852,958
Effect of dilutive unit	-	-
Net income available to common unitholders	1,158,903	1,852,958
Weighted-average number of units outstanding for the period	93,632 units	123,846 units

[Subsequent events]

None

[Omission of disclosure]

Notes relating to investment securities and retirement benefits are omitted as immaterial.

(7) Changes in unit issued and outstanding

The outline of changes in unitholders' capital for the current and previous periods was as follows:

Date	Capital transaction	Number of units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 26, 2007	Private placement for incorporation	400	400	200	200	Note 1
October 17, 2007	Public offering	76,000	76,400	35,112	35,312	Note 2
November 19, 2007	Allocation of investment units to a third party	2,635	79,035	1,217	36,529	Note 3
March 8, 2011	Public offering	14,200	93,235	5,556	42,085	Note 4
March 24, 2011	Allocation of investment units to a third party	397	93,632	155	42,241	Note 5
March 5, 2012	Public offering	44,762	138,394	18,705	60,946	Note 6
March 26, 2012	Allocation of investment units to a third party	2,238	140,632	935	61,881	Note 7

Note 1 The Investment Corporation was incorporated through private placement at a price of ¥500,000 per unit.

Note 2 New investment units were issued at a price of ¥480,000 per unit (subscription price of ¥462,000 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 3 New investment units were issued at a price of ¥462,000 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 4 New investment units were issued at a price of ¥405,945 per unit (subscription price of ¥391,297 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 5 New investment units were issued at a price of ¥391,297 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 6 New investment units were issued at a price of ¥432,135 per unit (subscription price of ¥417,879 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 7 New investment units were issued at a price of ¥417,879 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 8 All investment units are common investment units.

4. Changes in officers

Changes in officers had been otherwise disclosed under the rule of timely disclosure.

5. Additional information

(1) Composition of assets

Classification of assets	Asset category	Location category (Note 1)	Region	As of December 31, 2011		As of June 30, 2012	
				Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)	Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	5,697	5.1	5,681	3.7
			Osaka and Nagoya metropolitan areas	1,102	1.0	1,099	0.7
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	41,118	36.4	46,093	29.7
			Osaka and Nagoya metropolitan areas	—	—	—	—
			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	40,710	36.0	68,742	44.4
			Osaka and Nagoya metropolitan areas	1,257	1.1	1,245	0.8
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	—	—	5,543	3.6
			Osaka and Nagoya metropolitan areas	17,705	15.7	17,580	11.3
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
Sub-total				107,591	95.3	145,987	94.2
Bank deposits and other assets				5,355	4.7	8,950	5.8
Total assets				112,947	100.0	154,937	100.0
Total liabilities				69,547	61.6	91,203	58.9
Total net assets				43,400	38.4	63,734	41.1

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 Gifu prefectures.

(ii) Industrial zones means industrial zones as defined in the Report on Industry Statistics issued by Ministry of Economy, Trade and Industry of Japan.

Note 2 “Composition ratio” is calculated by rounding to the nearest first decimal place.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of June 30, 2012 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m ²)	Leased area (Note 2) (m ²)	Occupancy ratio (Note 3) (%)	Ratio of rental revenue to total rental revenues (Note 3) (%)	Major use
IIF Haneda Airport Maintenance Center	40,897	81,995.81	81,995.81	100.0	30.6	Infrastructure facility
IIF Kobe District Heating and Cooling Center (Note 4)	17,580	11,275.39	10,995.26	97.5	8.3	Infrastructure facility
IIF Shinonome Logistics Center (Note 5)	13,446	27,493.29	27,493.29	100.0	8.9	Logistics facility
IIF Mitaka Card Center	9,305	21,615.01	21,615.01	100.0	4.0	Manufacturing and R&D facility, etc.
IIF Shinonome R&D Center (Note 6)	8,910	17,045.30	17,045.30	100.0	—	Manufacturing and R&D facility, etc.
IIF Kamata R&D Center (Note 6)	7,573	21,896.56	21,896.56	100.0	—	Manufacturing and R&D facility, etc.
IIF Noda Logistics Center	6,013	38,828.10	38,828.10	100.0	5.4	Logistics facility
IIF Zama IT Solution Center (Note 6)	5,543	10,931.89	10,931.89	100.0	—	Infrastructure facility
IIF Shinsuna Logistics Center	5,311	5,741.75	5,741.75	100.0	3.8	Logistics facility
IIF Shinagawa Data Center (Note 6)	5,196	19,547.11	19,547.11	100.0	—	Infrastructure facility
Total	119,778	256,370.21	256,090.08	99.9	77.8	

Note 1 “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 2 “Leased area” means the leased area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leased area shows a total area of the building indicated in the registry book.

Note 3 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place

Note 4 The Investment Corporation entered into the lease agreement of IIF Kobe District Heating and Cooling Center with Osaka Gas Co., Ltd. on June 6, 2012 and a vacant area (280.13m², approximately 2.5% of the leasable area) of the property is leased starting on or after July 1, 2012 under the lease agreement. The occupancy ratio of the property as of July 1, 2012 is 100%.

Note 5 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.

Note 6 “Ratio of rental revenue to total rental revenues” is undisclosed because the consent from the tenant has not been acquired.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of June 30, 2012 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	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	14,600	13,446
IIF Noda Logistics Center	340-13, Aza Tamedai, Nishi-sangao, Noda-shi, Chiba, etc.	Trust beneficial interest	38,828.10	6,880	6,013
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	5,810	5,311
IIF Atsugi Logistics Center	19, Aza Ikoda, Hase 6-chome, Atsugi-shi, Kanagawa	Trust beneficial interest	10,959.68	1,870	1,876
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	2,290	1,972
IIF Nishinomiya Logistics Center	2, Nishinomiyahama 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	10,608.00	1,490	1,245
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	2,040	1,223
IIF Narashino Logistics Center II (land with leasehold interest)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	58,070.00	3,970	3,435
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	3,300	3,272
IIF Yokohama Tsuzuki Logistics Center	747-1, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	9,464.03	2,690	2,421
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama, etc.	Trust beneficial interest	8,995.00	1,730	1,532
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi, etc.	Real property	8,721.01	1,130	1,099
IIF Atsugi Logistics Center III	3007-7, Kamiechi Aza Uenohara, Atsugi-shi, Kanagawa	Trust beneficial interest	16,584.64	2,560	2,390
IIF Totsuka Technology Center (land with leasehold interest)	334-1, Uchikune, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	31,442.47	4,760	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,250	1,185
IIF Mitaka Card Center	444-2, Shimo-Renjaku 7-chome, Mitaka-shi, Tokyo, etc.	Trust beneficial interest	21,615.01	9,160	9,305
IIF Shinonome R&D Center	14-5, Shinonome 1-chome, Koto-ku, Tokyo	Trust beneficial interest	17,045.30	10,700	8,910
IIF Kamata R&D Center	31-1, Minami-Kamata 2-chome, Ota-ku, Tokyo	Trust beneficial interest	21,896.56	7,510	7,573
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,275.39	14,700	17,580
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	39,500	40,897
IIF Zama IT Solution Center	5505-7, Higashihara 5-chome, Zama-shi, Kanagawa	Trust beneficial interest	10,931.89	5,600	5,543

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
IIF Shinagawa Data Center	521-1, Futaba 2-chome, Shinagawa-ku, Tokyo, etc.	Real property	19,547.11	6,300	5,196
Total			466,479.86	149,840	145,987

Note 1 “Location” means the residence indication or the location indicated in the land registry book.

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 “Appraisal value at end of period” shows the value appraised or researched 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 Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area of the property shows 53% of the total leasable area as the share of quasi-co-ownership.

Operating results of each property for the six months ended December 31, 2011 and June 30, 2012 were as follows:

Name of property	For the six months ended							
	December 31, 2011				June 30, 2012			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
IIF Shinonome Logistics Center	1	100.0	397	11.3	1	100.0	397	8.9
IIF Noda Logistics Center	2	100.0	240	6.8	2	100.0	240	5.4
IIF Shinsuna Logistics Center	1	100.0	168	4.8	1	100.0	168	3.8
IIF Atsugi Logistics Center (Note 3)	1	100.0	149	4.2	1	100.0	—	—
IIF Koshigaya Logistics Center	1	100.0	75	2.1	1	100.0	75	1.7
IIF Nishinomiya Logistics Center	1	100.0	59	1.7	1	100.0	59	1.3
IIF Narashino Logistics Center (land with leasehold interest) (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Narashino Logistics Center II (land with leasehold interest)	1	100.0	115	3.3	1	100.0	115	2.6
IIF Atsugi Logistics Center II (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Yokohama Tsuzuki Logistics Center (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Saitama Logistics Center	1	100.0	66	1.9	1	100.0	66	1.5
IIF Nagoya Logistics Center	1	100.0	48	1.4	1	100.0	48	1.1
IIF Atsugi Logistics Center III (Note 3)	—	—	—	—	1	100.0	—	—
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	155	4.4	1	100.0	154	3.5
IIF Yokohama Tsuzuki Technology Center	1	100.0	57	1.6	1	100.0	57	1.3
IIF Mitaka Card Center	—	—	—	—	1	100.0	180	4.0
IIF Shinonome R&D Center (Note 3)	—	—	—	—	1	100.0	—	—
IIF Kamata R&D Center (Note 3)	—	—	—	—	1	100.0	—	—
IIF Kobe District Heating and Cooling Center (Note 4)	1	97.5	378	10.7	1	97.5	371	8.3
IIF Haneda Airport Maintenance Center	1	100.0	1,345	38.2	1	100.0	1,363	30.6

Name of property	For the six months ended							
	December 31, 2011				June 30, 2012			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
IIF Zama IT Solution Center (Note 3)	—	—	—	—	1	100.0	—	—
IIF Shinagawa Data Center (Note 3)	—	—	—	—	1	100.0	—	—
Total (Note 5)	17	99.9	3,526	100.0	23	99.9	4,458	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 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place.

Note 3 “Ratio of rental revenue to total rental revenues” is undisclosed because the consent from the tenant has not been acquired.

Note 4 The Investment Corporation entered into the lease agreement of IIF Kobe District Heating and Cooling Center with Osaka Gas Co., Ltd. on June 6, 2012 and a vacant area (280.13m², approximately 2.5% of the leasable area) of the property is leased starting on or after July 1, 2012 under the lease agreement. The occupancy ratio of the property as of July 1, 2012 is 100%.

Note 5 The total column of “Occupancy ratio” shows percentage of total leased area against total leasable area at the end of accounting period. Figures are rounded to the nearest first decimal place.