



Investor Presentation for the June 2013 (12th) Period



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- A. Our Growth Strategy
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- D. Market Data and Other Materials

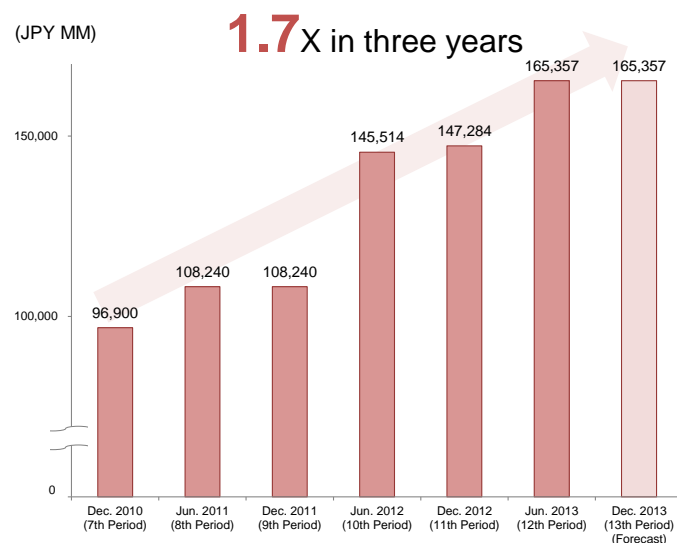
1. Executive Summary – Our Growth Path

Increase in Revenue, Income and DPU for 6 Consecutive Periods through 3 Straight Years of POs

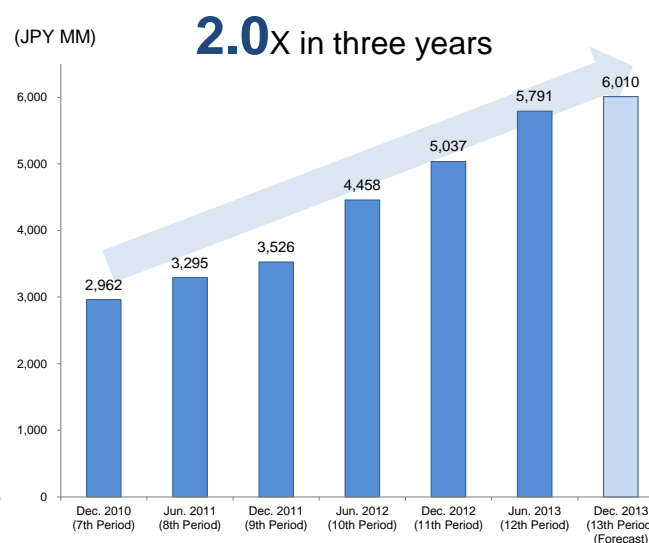
	Jul — Dec. 2010 (7 th Period)	Jan — Jun. 2011 (8 th Period) PO	Jul — Dec. 2011 (9 th Period)	Jan — Jun. 2012 (10 th Period) PO	Jul — Dec. 2012 (11 th Period)	Jan — Jun. 2013 (12 th Period) PO	Jul — Dec. 2013 (13 th Period) (Forecast)
Operating Revenue (JPY MM)	2,962 (100.0)	3,295 (111.3)	3,526 (119.0)	4,458 (150.5)	5,037 (170.0)	5,791 (195.5)	6,010 (202.9)
Net Income (JPY MM)	798 (100.0)	1,022 (128.1)	1,158 (145.2)	1,852 (232.1)	2,023 (253.4)	2,447 (306.5)	2,496 (312.7)
Units Outstanding (unit)	79,035 (100.0)	93,632 (118.5)	93,632 (118.5)	140,632 (177.9)	140,632 (177.9)	156,432 (197.9)	156,432 (197.9)
Distribution per Unit (JPY)	10,102 (100.0)	10,919 (108.1)	12,377 (122.5)	13,176 (130.4)	14,387 (142.4)	15,643 (154.9)	15,958 (158.0)
Number of Properties	11	16	16	22	23	29	29
Total Acquisition Price (JPY MM)	96,900 (100.0)	108,240 (111.7)	108,240 (111.7)	145,514 (150.2)	147,284 (152.0)	165,357 (170.6)	165,357 (170.6)

(Note) “()” indicates each figure relative to the figures as of the end of Dec. 2010 which is set as 100

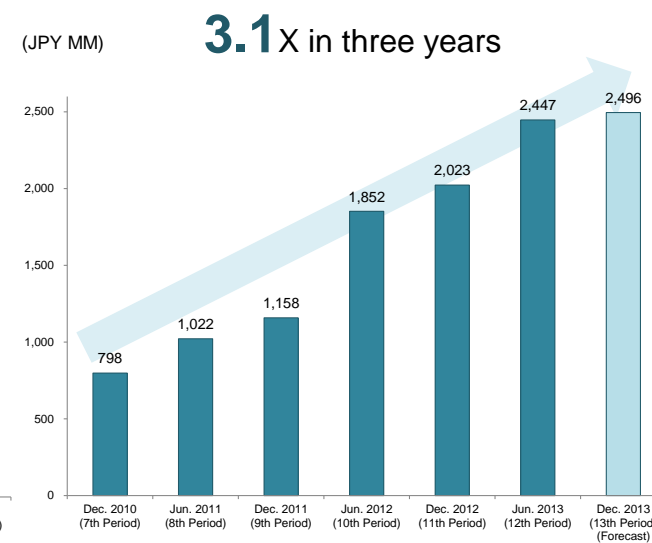
Total Acquisition Price



Operating Revenue

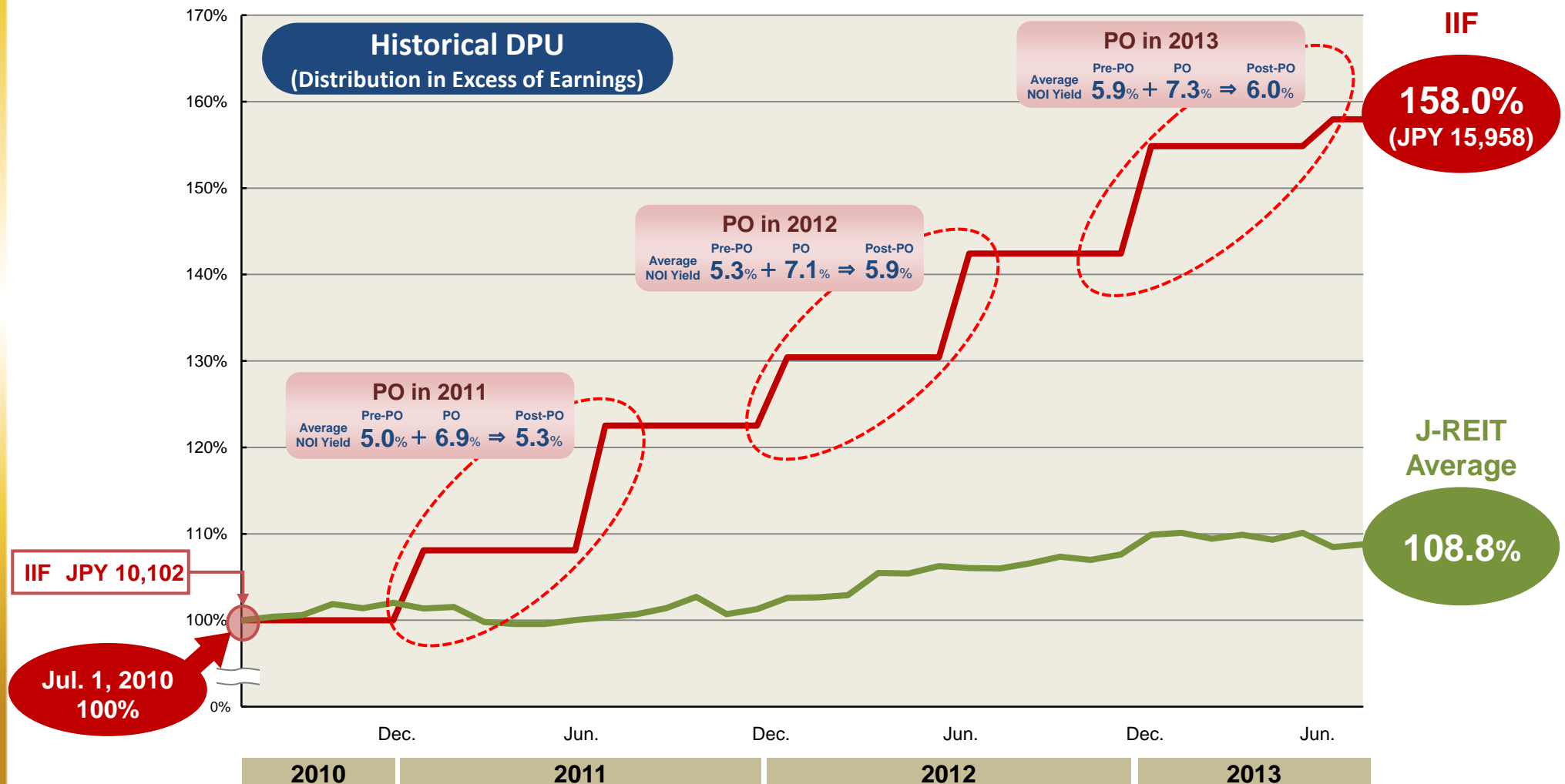


Net Income



Achieved DPU Growth by Expanding Portfolio

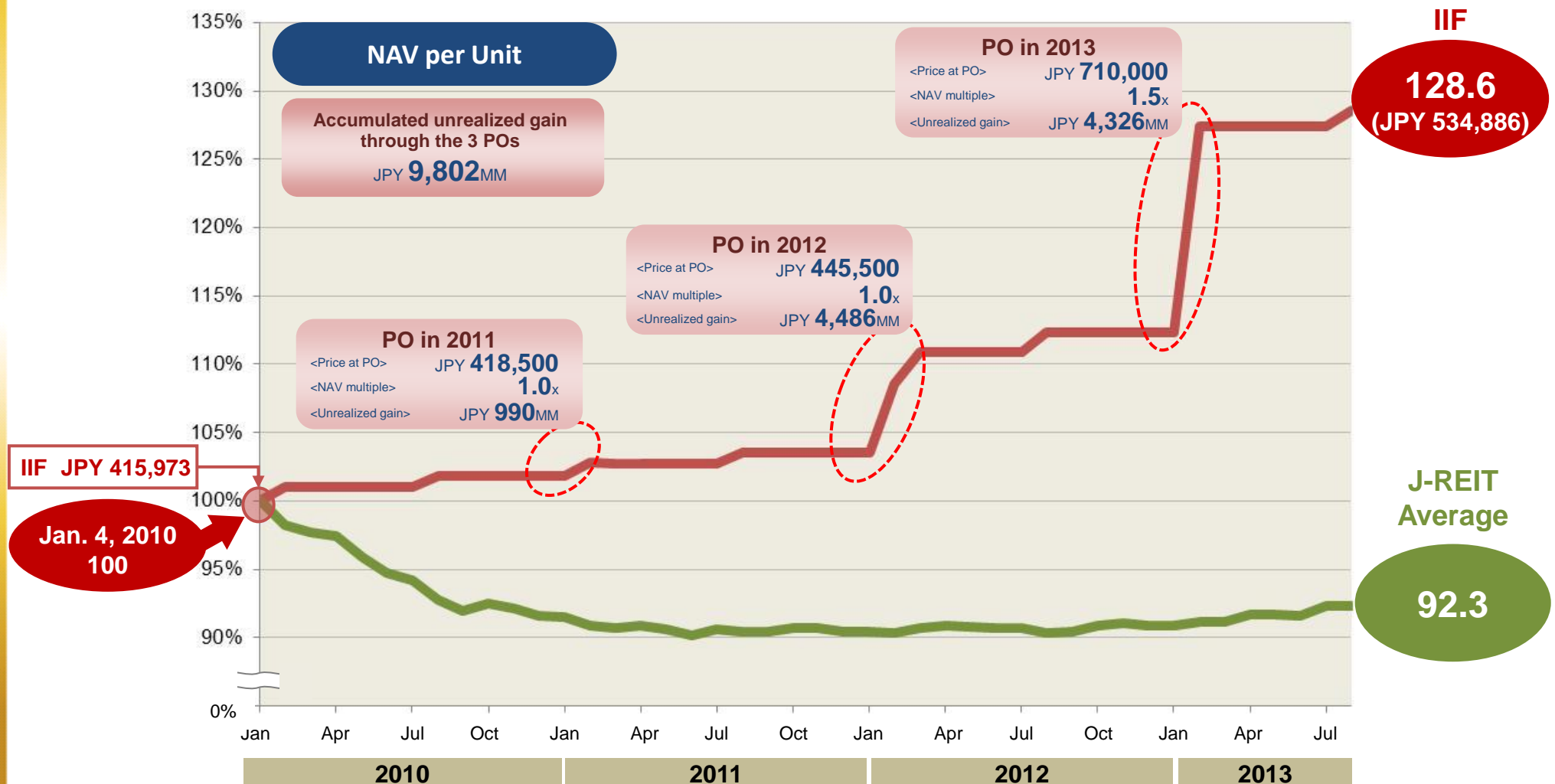
DPU up by 58% - Delivering 3 successive years of POs, enhancing portfolio profitability



(Note 1) Y-axis indicates relative DPU trends which the price and index at the beginning of Jul. 2010 is set as 100%
 (Note 2) Pro-forma includes distribution forecast
 (Note 3) J-REIT average excludes names that are listed after Jul. 2010
 (Source) Based on disclosed information

Achieved NAV Growth by Expanding Portfolio

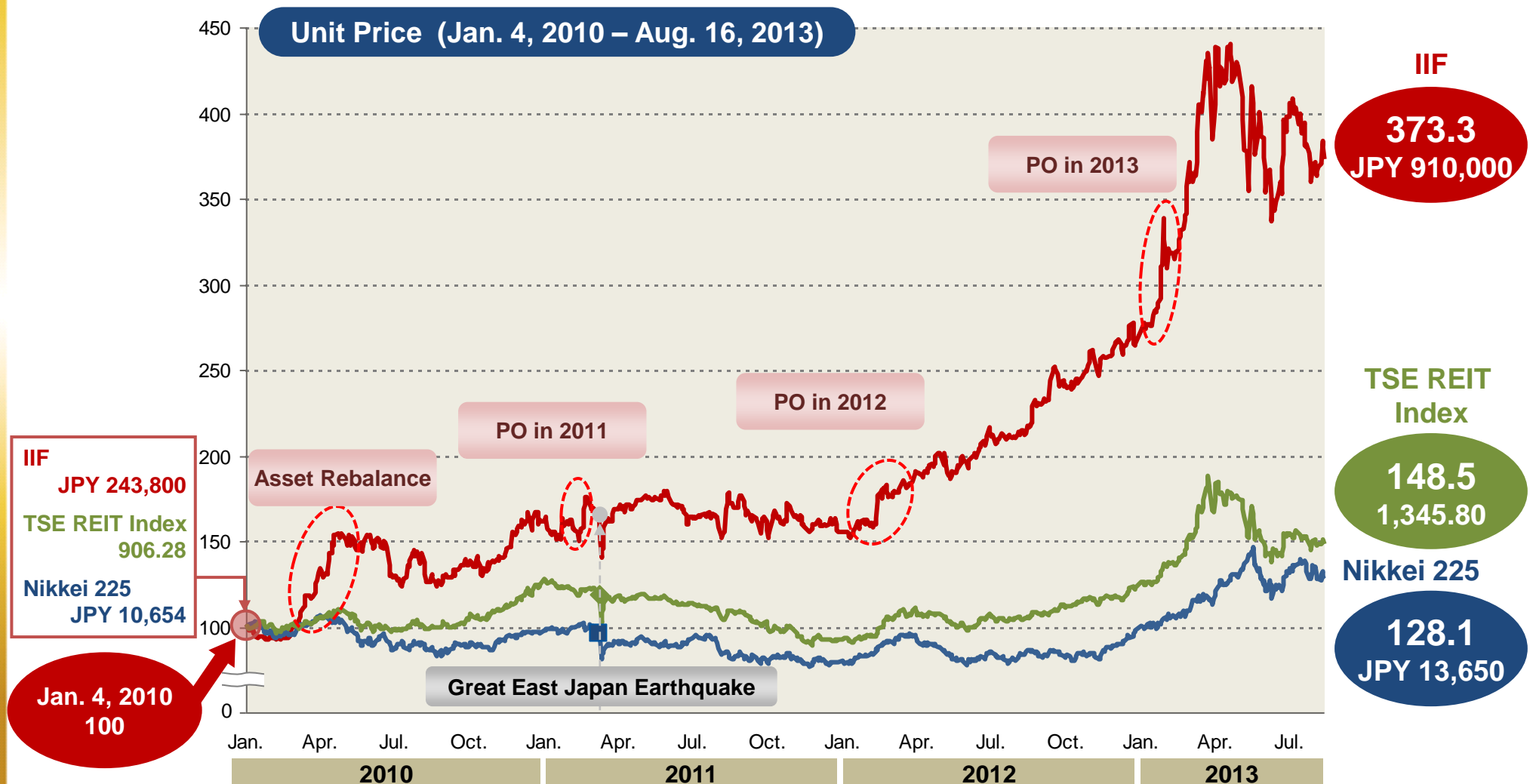
NAV up by 29% - Acquiring properties at discount through POs at the appropriate timing



(Note 1) Y-axis indicates relative NAV per Unit trends which the price and index at the end of Jan. 2010 is set as 100%
 (Note 2) NAV per unit is calculated by including unrealized gains and losses in unitholders' capital
 (Note 3) Unrealized gain refers to the difference between appraisal value of each property at the acquisition and the corresponding acquisition price
 (Source) Based on disclosed information

Unit Price Performance

3.7x unit price, reflecting DPU and NAV growths buoyed by 3 successive POs



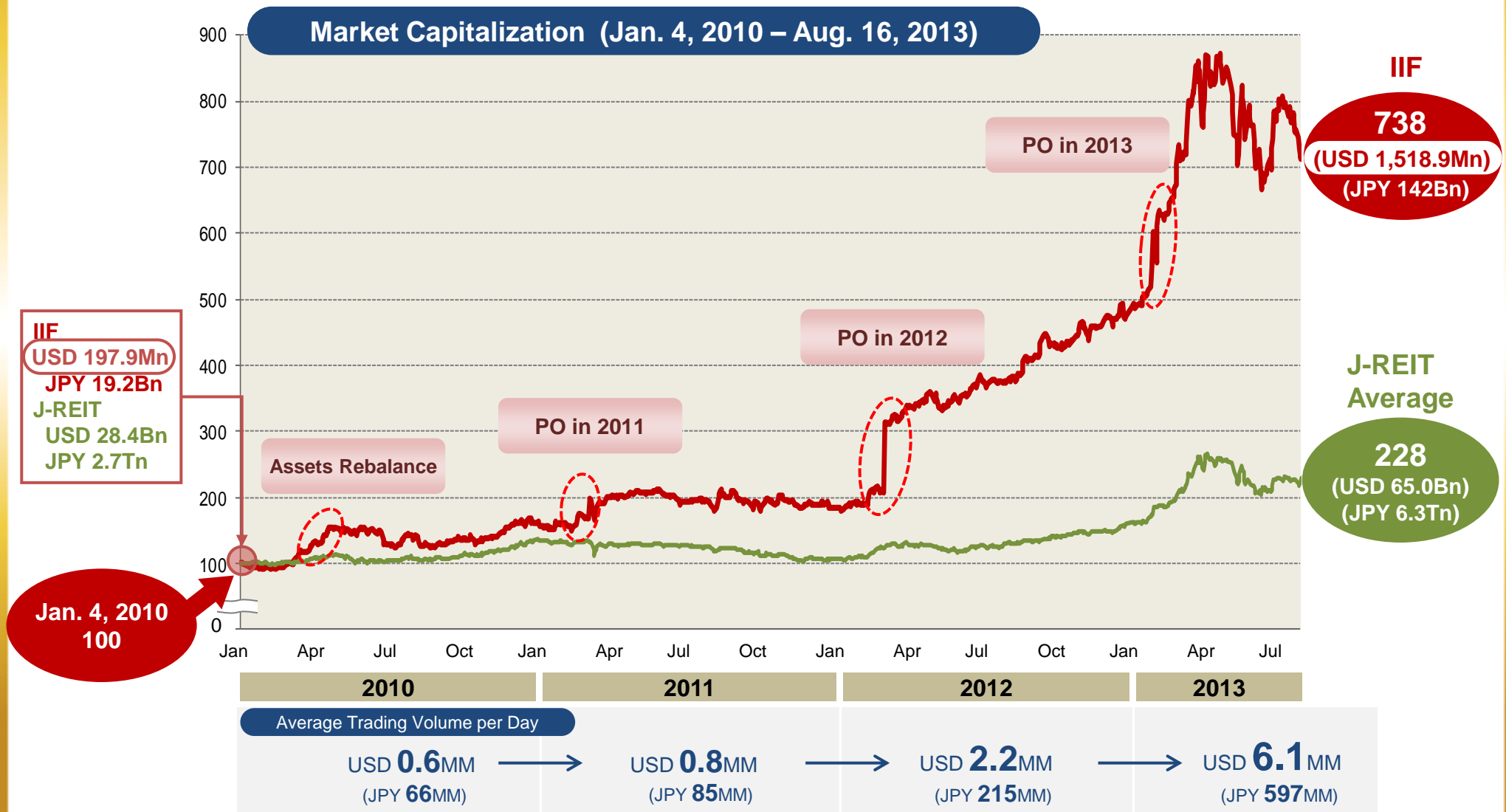
(Note 1) Indices are based on closing prices

(Note 2) Y-axis indicates the relative trend in the unit price of which the 100% is set at the closing price of Tokyo Stock Exchange as of Jan. 4, 2010

(Source) Bloomberg

Historical Market Capitalization and Trading Volume per Day

7.4x market cap. after 3 successive years of POs and rally in unit price

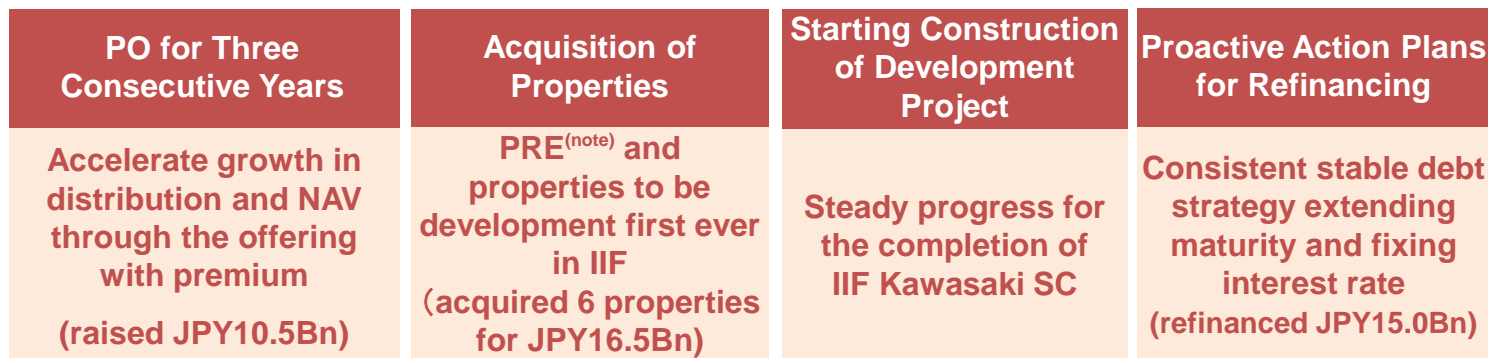


(Note 1) Indices are based on closing prices
 (Note 2) Y-axis indicates the relative trend in the market capitalization of which the 100% is set at the closing price of Tokyo Stock Exchange as of Jan.4, 2010
 (Source) Bloomberg

2. Highlights for the June 2013 (12th) Period

Major Achievements during 12th and 13th Periods

Key Measures



Announced on August 22, 2013

Improvement in DPU

12th Period (A)

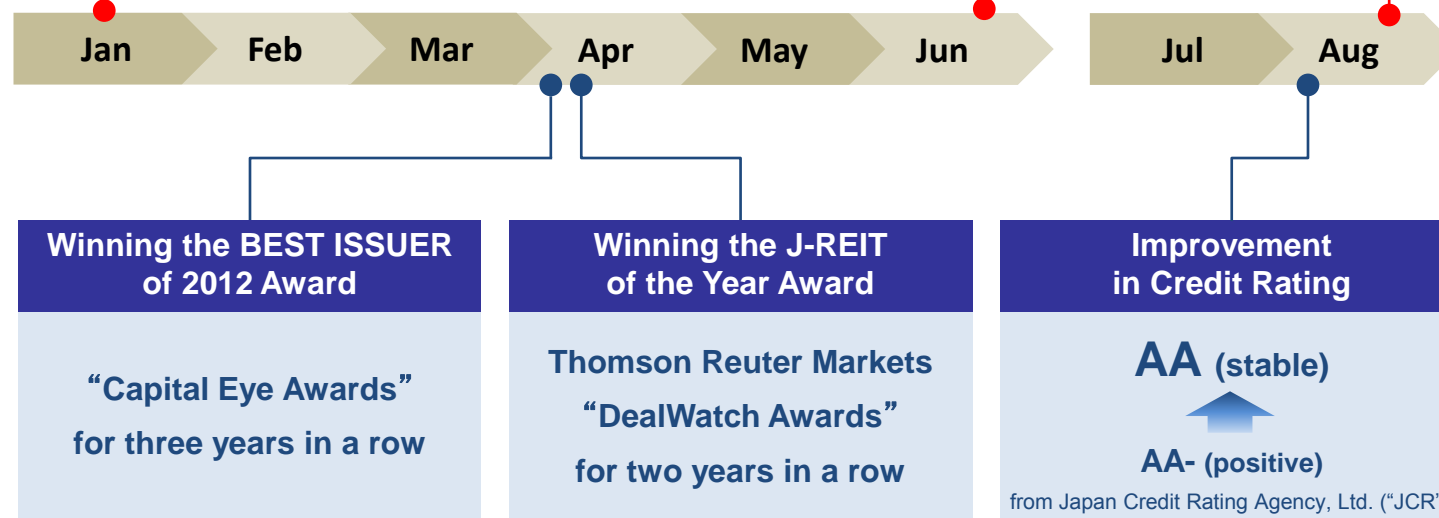
+1,256yen

(compared to 11th (A))

13th Period (E)

+315yen

(compared to 12th (A))



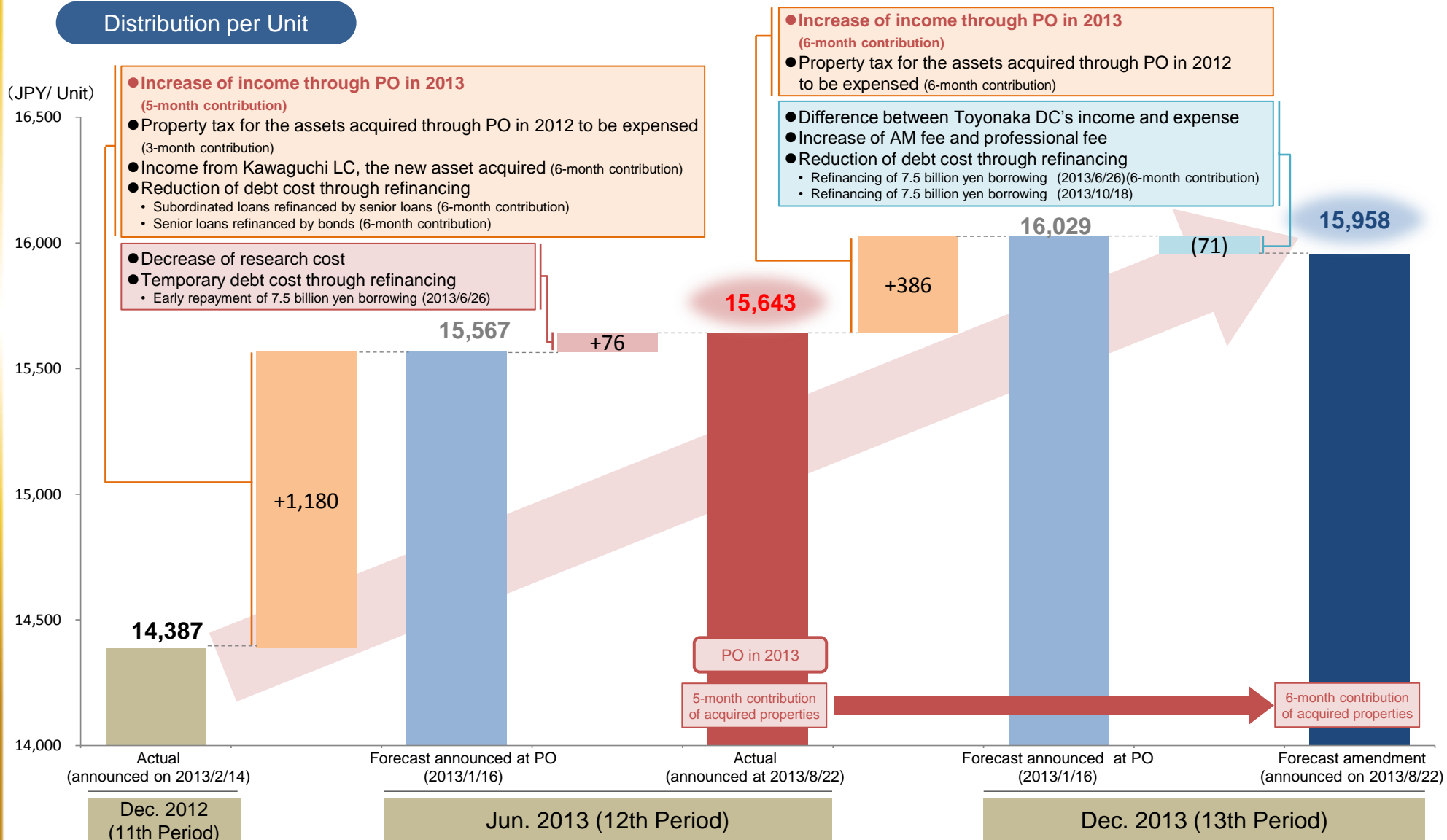
Market Evaluation

(Note) PRE is the abbreviation for Public Real Estate

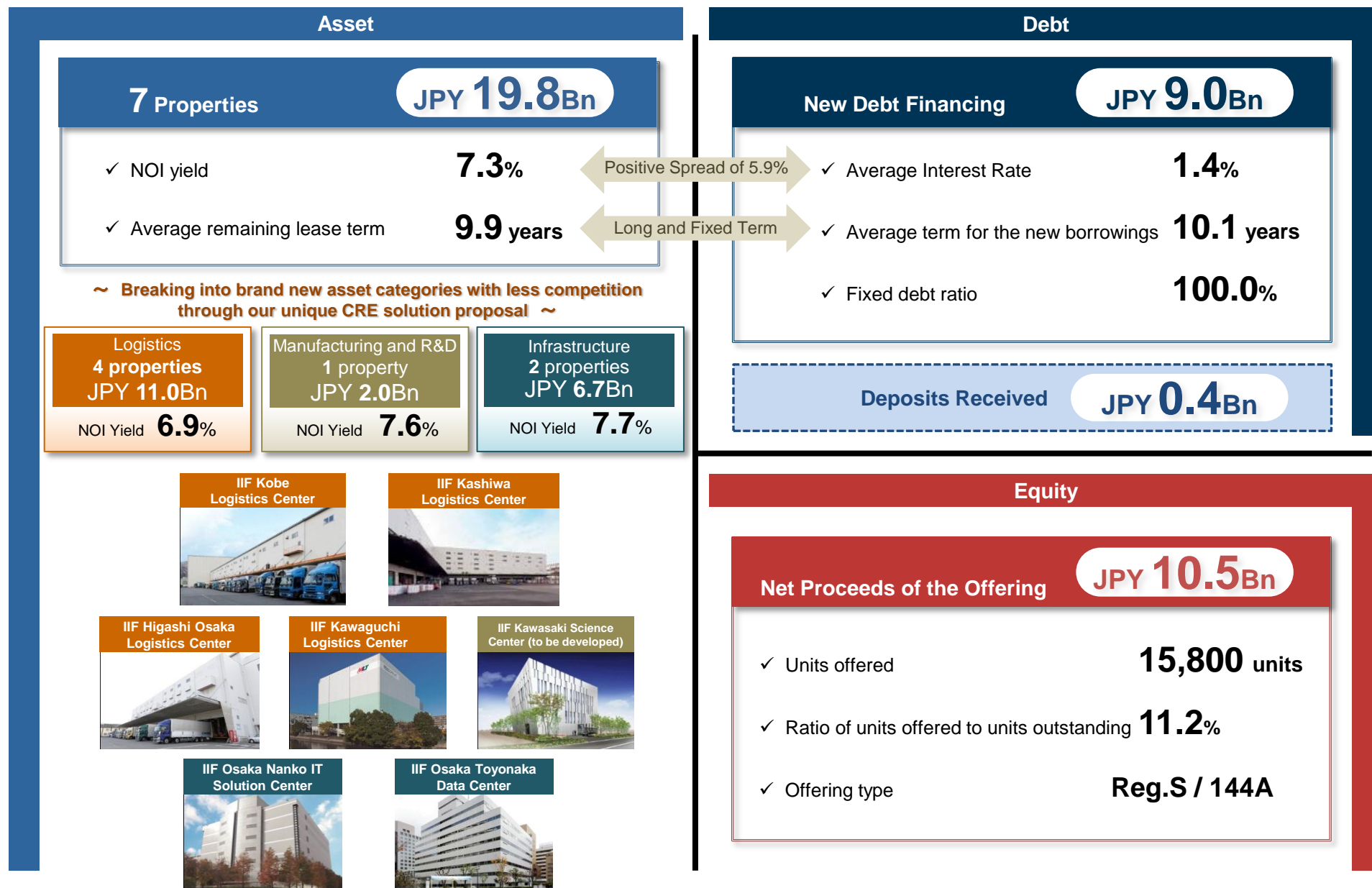
Distribution per Unit – Trajectory and Forecast

Continued growth in DPU through PO in 2013
Lowering expected DPU for the Dec. 2013 by 71 JPY / unit

Distribution per Unit



Overview of Public Offering in February 2013



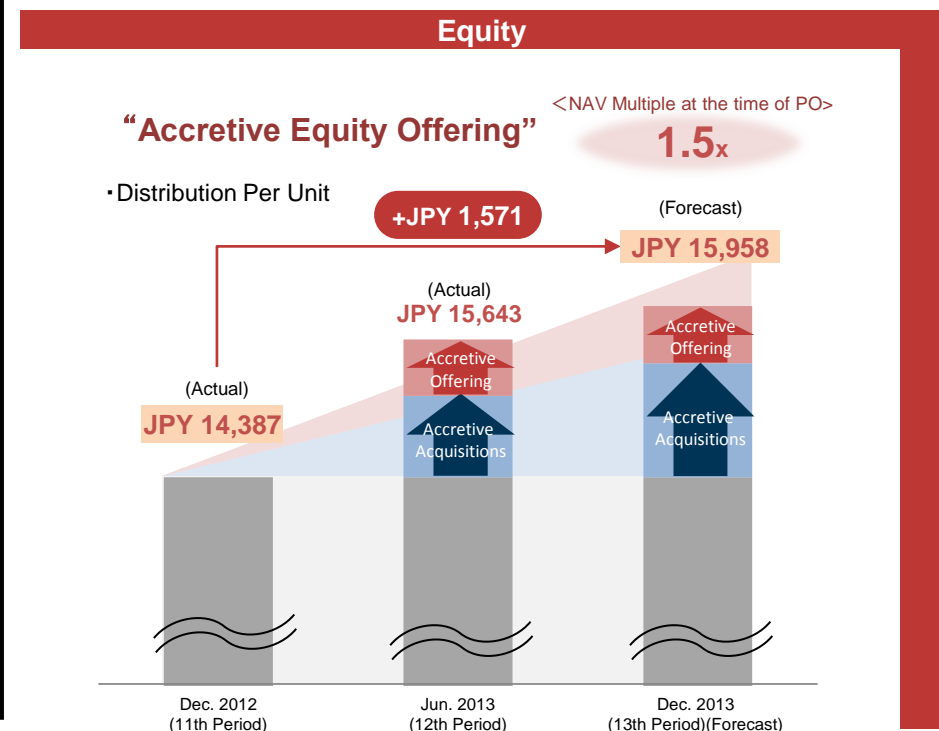
Overview of Public Offering in February 2013

DPU growth through “accretive equity offering” & continued stability enhancement

	Asset		
	Pre-PO (note1)	PO (Note2)	Post-PO (note3)
• Number of Properties	22 properties	7 properties	29 properties
• Acquisition Price (JPY MM)	145,514	19,843	165,357
• Average NOI Yield (before depreciation) (Note 4)	5.9%	7.3%	6.0%
• Average NOI Yield (after depreciation) (Note 4)	4.9%	6.2%	4.9%

(Note 1) Actual data of Period ended Jun. 2012 (10th period)
 (Note 2) Forecast data at the acquisition of properties at PO
 (Note 3) Actual data of Period ended Jun. 2013 (12th period)
 (Note 4) NOI yield is calculated in case of 6 months contribution of acquired properties

	Debt	
	Pre-PO (note1)	Post-PO (note3)
• LTV	51.6%	50.8%
• Average Debt Maturity	4.2 years	5.5 years
• Average Interest Rate	1.31%	1.27%



Winning Awards for 3 Consecutive Years

Winning 2 awards for 2 consecutive years, first ever in J-REITs

Sponsored by Thomson Reuter Markets KK

DealWatch Awards 2 Years in a Row

2012: “J-REIT of the Year”

2011: “J-REIT of the Year”

【Reason for Winning the Award】

IIF Acquired superior priorities with appropriate conditions through its CRE strategy. The confidence of investors was enhanced more when it increased its distribution at every public offering. Although limited funds of approximately 11 billion yen were raised, the global offering was implemented to focus on existing investors.

(* Announcement regarding “DEALWATCH AWARDS 2012”)

DEALWATCH
AWARDS 2012



THOMSON REUTERS

Sponsored by Capital Eye Limited

Capital Eye Awards 3 Years in a Row

2012: “BEST ISSUER OF 2012”

2011: “BEST DEALS OF 2011”

2010: “BEST DEALS OF 2010”

【Reason for Winning the Award】

“Industrial & Infrastructure Fund Investment Corp., a J-REIT operator, came to market with a global offering in February 2013, successfully raising some JPY 10Bn via a new share issue. Listed in 2007, the company pursues growth via an original asset management style, including a public real estate (PRE) strategy, which effectively puts pressure on its competition. Management has been praised for its strong commitment to both NAV and DPU growth, achieving successful global offerings in consecutive years.”

(* Announcement regarding “BEST DEALS OF 2012”)



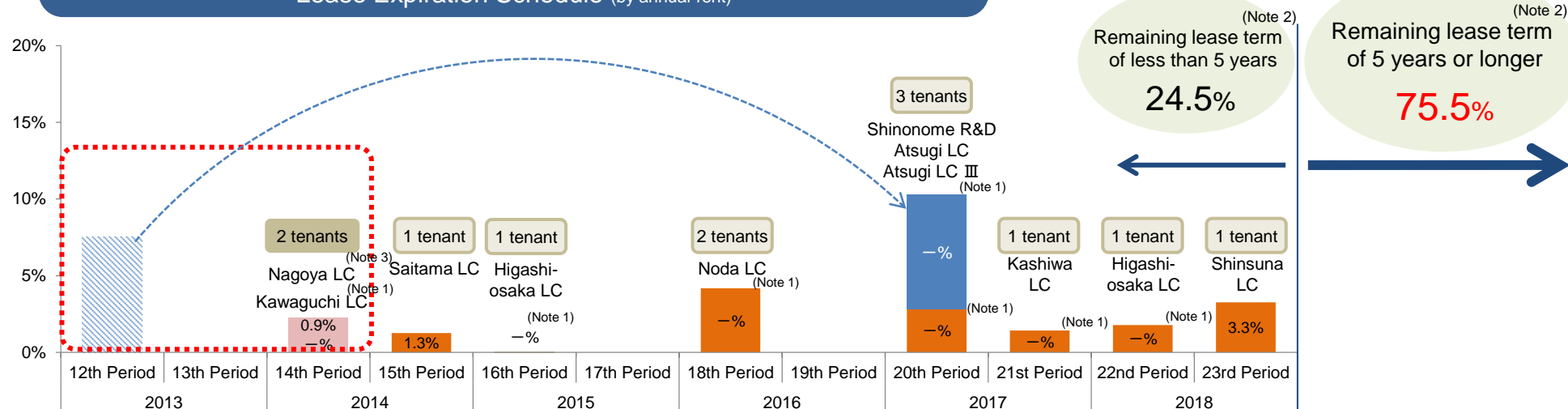
3. Our Approach to Current and Upcoming Issues

① Management of Existing Portfolio

Our Portfolio Generating Stable Cash Flow from Long-term Leases

Maintaining 99.9% occupancy rate through our solid tenant management

Lease Expiration Schedule (by annual rent)



Our Achievement for the Leases Expired in 12th Period and Our Action Plans for the Leases Expiring in the 13th and 14th Periods

	Lease Expiry	Property Name	Tenant	% of Entire Portfolio (by Rent)	Achievements/Action Plans
Period ended Jun. 2013 (12 th Period)	2013/3/31	Shinonome R&D	Succession Nihon Unisys, Ltd.	(Note 1) — %	Execute the memorandum regarding the 4 year extension of the agreement (28 years from the original agreement) after the expiration “Maintain the current rent level”, “Extend 4-year lease period” Renewed
Period ending Dec. 2013 (13 th Period)	No Lease Maturity				
Period ending Jun. 2014 (14 th Period)	2014/3/13	Nagoya LC	DHL Supply Chain Kabushiki Kaisha	0.9%	The tenant does not intend to exit Renewal of the agreement for long-term use will be discussed with the tenant
	(Note 3) 2014/6/30	Kawaguchi LC	Meiji Logitech Co., Ltd.	(Note 1) — %	Received a notice of the termination by June 30, 2014, IIF has started leasing with an aim to invite a following tenant promptly after the termination

(Note 1) Not disclosed at the request of the tenant

(Note 2) Based on the period from Aug. 22, 2013 until the lease expiration date prescribed in each lease agreement

(Note 3) The expiry of Kawaguchi LC is the date of its exit after an exercise of the cancellation option

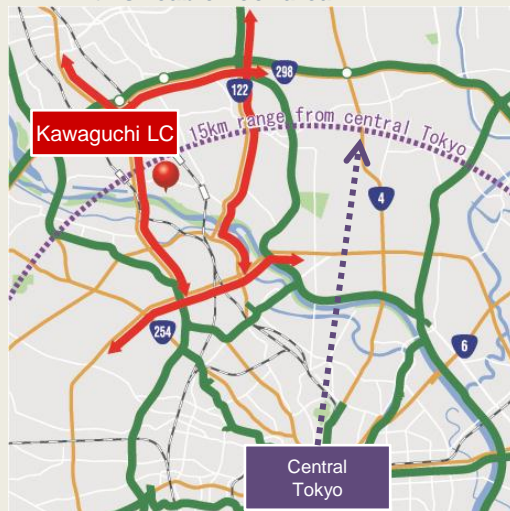
Leasing of IIF Kawaguchi Logistics Center

Aim to attract a new tenant promptly for the high-spec facility

Facility with excellent location that enables wide-area deliveries and high specifications that adapt to four temperature zones

Location

- ✓ Featuring easy access to central Tokyo, and high convenience that enables wide-area deliveries in Tokyo and Saitama
- ✓ Demand for large-scale facilities is not satisfied due to lack of facilities with sizeable floor area



(Expressways and National Routes)

- About 7 km from exits of Tokyo Metropolitan Expressway 5 Ikebukuro Line, Kawaguchi Line, and the Tokyo Outer Ring Road
- Superior access to central Tokyo via National Route 17 and 122
- Wide-area deliveries covering the northern part of Tokyo and the southern part of Saitama Prefecture using Loop 7 and National Route 298

(Train)

- About 1.9Km from the nearest station JR Kawaguchi sta. (about 25 minute walk)
- The nearest bus stop "Lala Garden" of Kokusai Kogyo Bus (for JR Kawaguchi sta.)

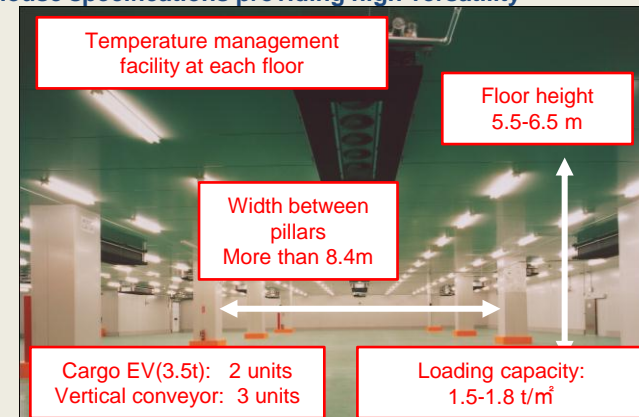
<Average Rent of Room Temperature Warehouse in Kawaguchi Area>
(yen)



(Source) CBRE

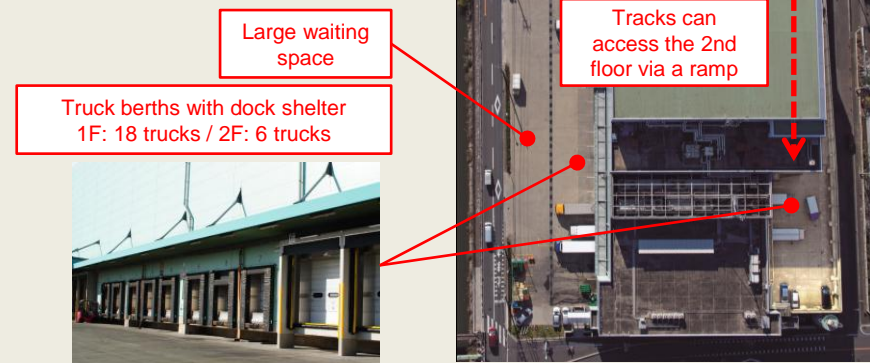
Interior

- ✓ Able to operate under wide temperature zones (four temperature zones: freezing, refrigerated, room and constant temperature)
- ✓ Warehouse specifications providing high versatility



Exterior

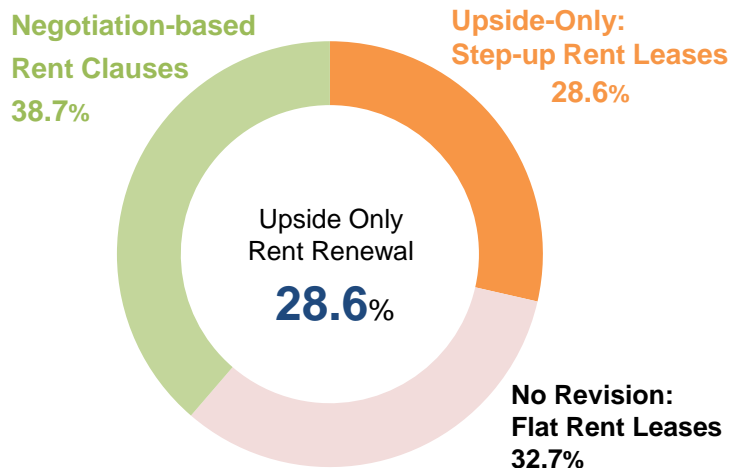
- ✓ Building in consideration for the neighboring environment



Rent Revisions Going Forward

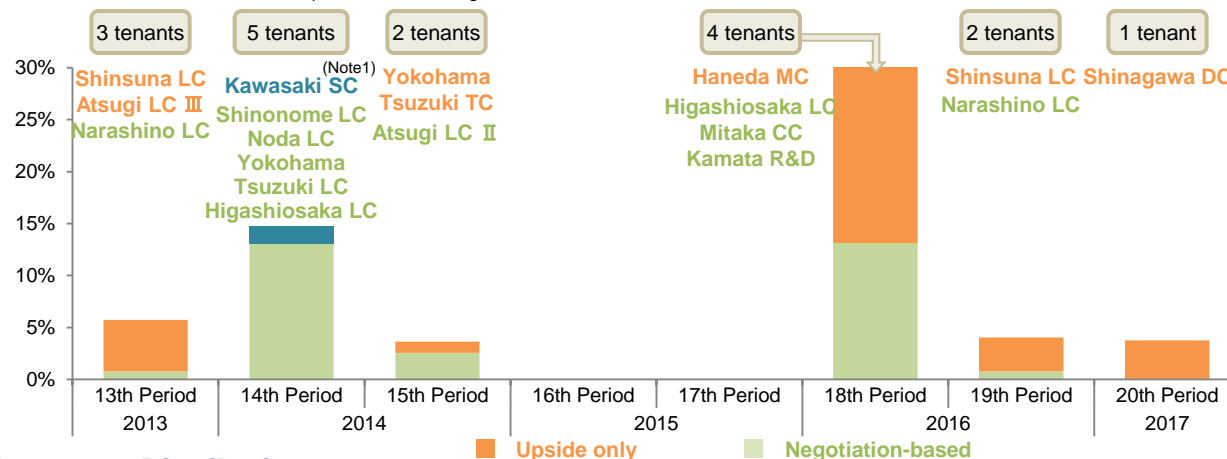
Pursuing upside potential while enjoying stable cash flows

Rent Revision



Rent Revision Schedule (annual rent based)

※ In addition to below, rent for Kashiwa LC (upside-only) and Nishinomiya LC (negotiation-based) may be revised subject to changes of economic conditions, etc. irrespective of the timing



Upside-only Rent Revision Schedule and Its Impact on Distributions

	Lease Expiry	Property Name	Tenant	% of Entire Portfolio (by Rent)	Terms of Rent Revision	Annual Rent Increase (Impact on distributions)
Period ending Dec. 2013 (13 th Period)	2013/7/15	Shinsuna LC	Sagawa Express	3.3%	3% increase in every three years Revised	JPY 10,127,000 (+ JPY 32)
	2013/10/27	Atsugi LC III	Tokyo Logistics Factory	— % (Note 2)	Rent increase discussion from Oct. 27, 2013	TBD
Period ending Jun. 2014 (14 th Period)	2014/5 (as of the acquisition)	Kawasaki SC (to be developed)	Johnson & Johnson KK Medical Company	— % (Note 2)	The rent will be determined by multiplying the construction fee regarding the building to be constructed in May 2014 by a predefined rate (Note 1)	— (Note 2) (+ JPY 260) (Note 3)
Period ending Dec. 2014 (15 th Period)	2014/10/1	Yokohama Tsuzuki TC	TÜV Rheinland Japan	1.1%	2% increase in every three years (until September 30, 2020)	1,740,000 (+ JPY 6)
Period ending Jun. 2016 (18 th Period)	2016/1/1	Haneda MC	Japan Airlines	17.4%	From 2016/1/1 to 2020/12/31 increase by circa 2% (Reference) After 2021/1/1 increase by circa 3%	38,935,000 (+ JPY 124)
Period ending Dec. 2016 (19 th Period)	2016/7/15	Shinsuna LC	Sagawa Express	3.3%	3% increase in every three years	10,430,000 (+ JPY 33)
Period ending Jun. 2017 (20 th Period)	2017/3/7	Shinagawa DC	XYMAX Corporation	— % (Note 2)	Not allowed to reduce the rent before March 6, 2017. Rent increase discussion on the certain leasing condition of the end tenant	TBD

(Note 1) Rent increase of Kawasaki SC is not based on rent revision, but new Building Lease Agreement to be executed after construction of the building

(Note 2) Not disclosed at the request of the tenant

(Note 3) Estimate based on the annual budget on a basis of the Temporally Land Lease Agreement and subsequent Fixed-term Building Lease Agreement

Development Plan for IIF Kawasaki Science Center

Ensuring rent upsides by minimizing the risk of changes in construction cost

Upside potential in DPU After the Construction

+260 yen per period
(Note 3)

Since received rent will be changed from the land rent to the building rent after construction, the rent revenue will increase approximately 4 times

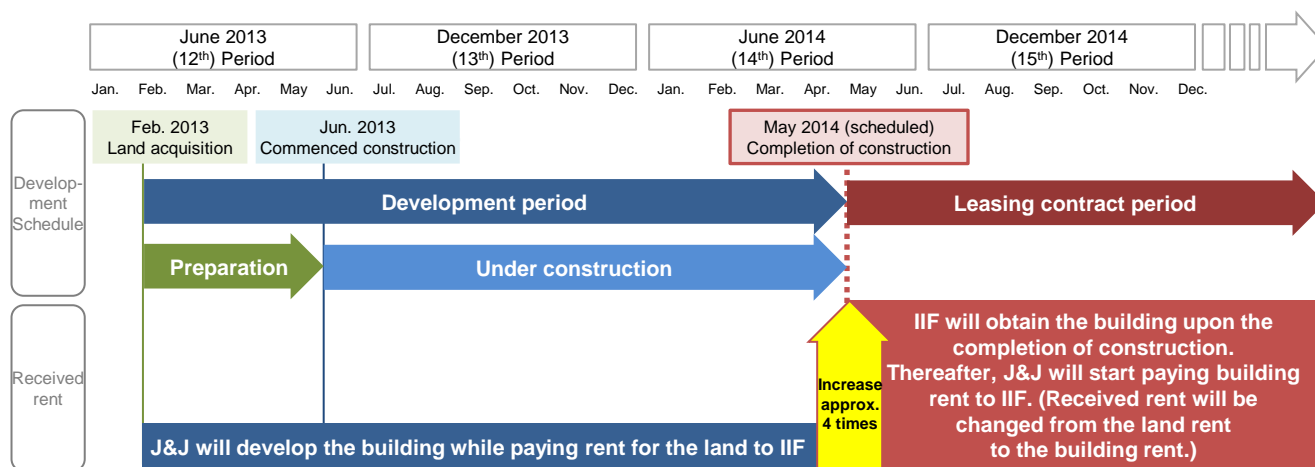
The rent will be determined by multiplying the construction fee regarding the building to be constructed in May 2014 by a predefined rate

Avoiding Risks of Changes in Construction cost

Despite an increasing trend of construction cost, the yield will be ensured as planned regardless of any change in construction cost since the building rent will be determined by multiplying the cost by a predefined rate

Overview of Construction	
Land area	2,941.80 m ²
Building area	4,862.19 m ² (Note 1)
Structure/Stories	Steel-framed 4 stories
Use	Research and development center for Johnson & Johnson (here after J&J) (Develop and evaluate medical devices)
Construction Period	From June 2013 to May 2014 (scheduled)
Design and Supervision	Nikken Sekkei Ltd.
Construction company	TODA Corporation
Construction contract cost	— (Note 2)

Construction launched in June 2013 and has advanced as scheduled



Piling (as of July 2013)

(Note 1) Described in the construction confirmation report. (Note 2) Not disclosed at the request of the tenant

(Note 3) Calculated by dividing 6-month difference between the annual budget on a basis of the Temporally Land Lease Agreement and subsequent Fixed-term Building Lease Agreement by total units outstanding. Total units outstanding is calculated based on 156,432 units and is rounded down. The upside in DPU is calculated by taking into consideration of specific event only. Actual DPU is affected by other events and may be changed

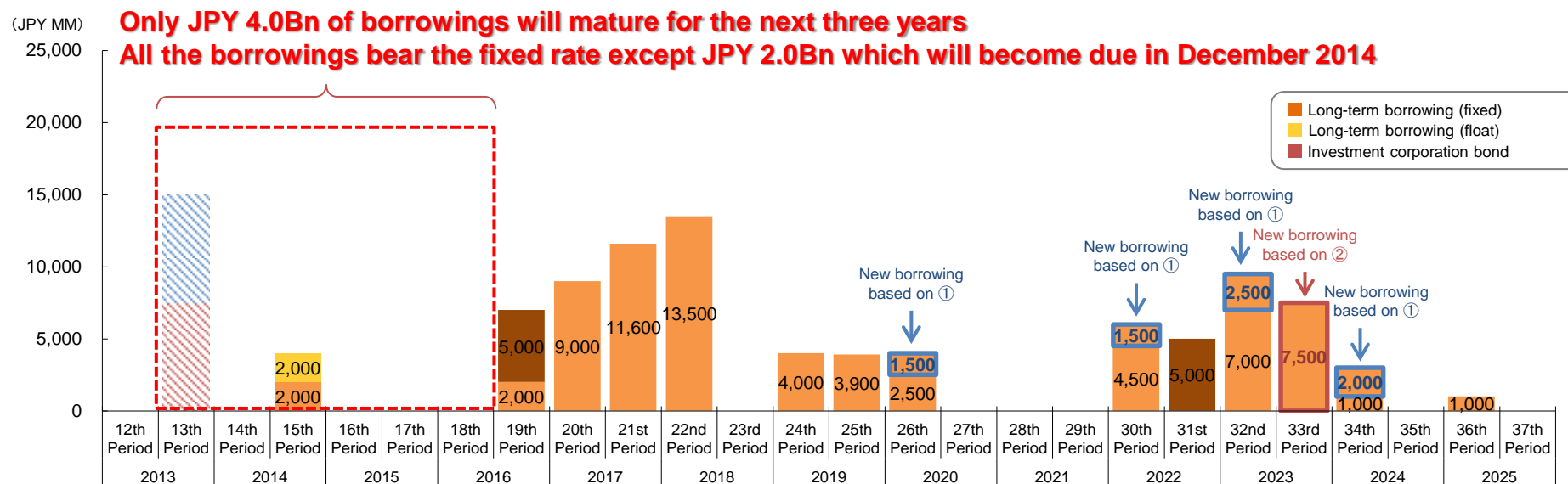
3. Our Approach to Current and Upcoming Issues

② Financial Strategy

Measures to Further Stabilizing the Financial Basis

Proactive measures to prepare for interest-rate risk on refinancing

Debt Maturity^(Note 1)



Action plans for the debt maturing in the 13th Period

	Maturity Date	Repayment Date	Loan Amount	<Repaid Borrowing>			<New Borrowing>			Impact on DPU forecast	
				Remaining Term	Interest Rate		Remaining Term	Interest Rate ^(Note 3)	Lender	Amount of 1-period (6-month) DPU Contribution ^(Note 4)	Period of 6-month contribution
Action Plan ① June 28, 2013 Repayment before maturity	2013/9/30	2013/6/28	JPY 7.5Bn	0.3 yrs	Floating 0.85000%	➡	9.5 yrs	Fixed 1.60565%	Nippon Life, Sumitomo Mitsui Trust Bank, Mizuho Corporate Bank, Nomura Trust and Banking, Resona Bank, Yamaguchi Bank	(JPY 183)	Since period ended Jun. 2014 (14 th period)
Action Plan ② August 22, 2013 Execution of Agreement	2013/10/18	2013/10/18	JPY 7.5Bn	0.0 yr	Floating 0.83000% ^(Note 2)	➡	10 yrs	Fixed 1.40200%	Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking	(JPY139)	Since period ended Jun. 2014 (14 th period)

(Note 1) Maturities are based on the figures after taking this measure (as of Oct. 18, 2013). (Note 2) Interest rate is as of Aug 22, 2013. (Note 3) Interest rate is the rate after Dec. 31, 2013.

(Note 4) Amount of 1-period (6-month) DPU contribution is calculated by dividing 6-month spread between applicable interest rate of repaid borrowing and that of new borrowing by total units outstanding. Total units outstanding is calculated based on 156,432 units and is rounded down. Effect on DPU forecast is calculated by taking into consideration of specific event only. Actual DPU is affected by other events and may be changed

Upgraded Credit Rating

Upgraded to AA, the highest of J-REITs, by stabilizing cash flow and BS

Rating for Long-term Issuer Rating (Note 1)

January 2012
AA -
(Stable)

Improvement
In Outlook

August 2012
AA -
(Positive)

Upgrade

Highest rating
among J-REITs
(Note 2)
August 2013
AA (Stable)

	As of Dec.31, 2010 (End of the 7th Period)	PO in March 2011	As of Dec.31, 2011 (End of the 9th Period)	PO in March 2012	As of Jun. 30, 2012 (End of the 10th Period)	PO in February 2013	As of Aug. 22, 2013 (Note 3)	
Asset	Number of Properties	11 properties + 5 properties =	16 properties + 6 properties =	22 properties + 7 properties =	29 properties			«Building Long-term Stable Portfolio» • Increase in Number of Properties • Improved Stability • Stable Occupancy Rate
	Total Acquisition Price	96.9Bn yen + 11.3Bn yen =	108.2Bn yen + 37.2Bn yen =	145.5Bn yen + 19.8Bn yen =	165.3Bn yen			
	Portion of Top 3 Tenants	74.1%	61.7%	42.6%	35.5%			
	Occupancy Rate	99.9%	99.9%	100.0%	99.9%			
Debt	LTV	57.2%	54.9%	51.6%	50.8%			«Building Long-term Stable Financial Base» • Lower LTV • Longer Term • More Fixed Rate
	Ave. Maturity Duration	2.1 years	3.8 years	4.2 years	6.0 years			
	Fixed Ratio	3.4%	46.9%	61.4%	97.8%			

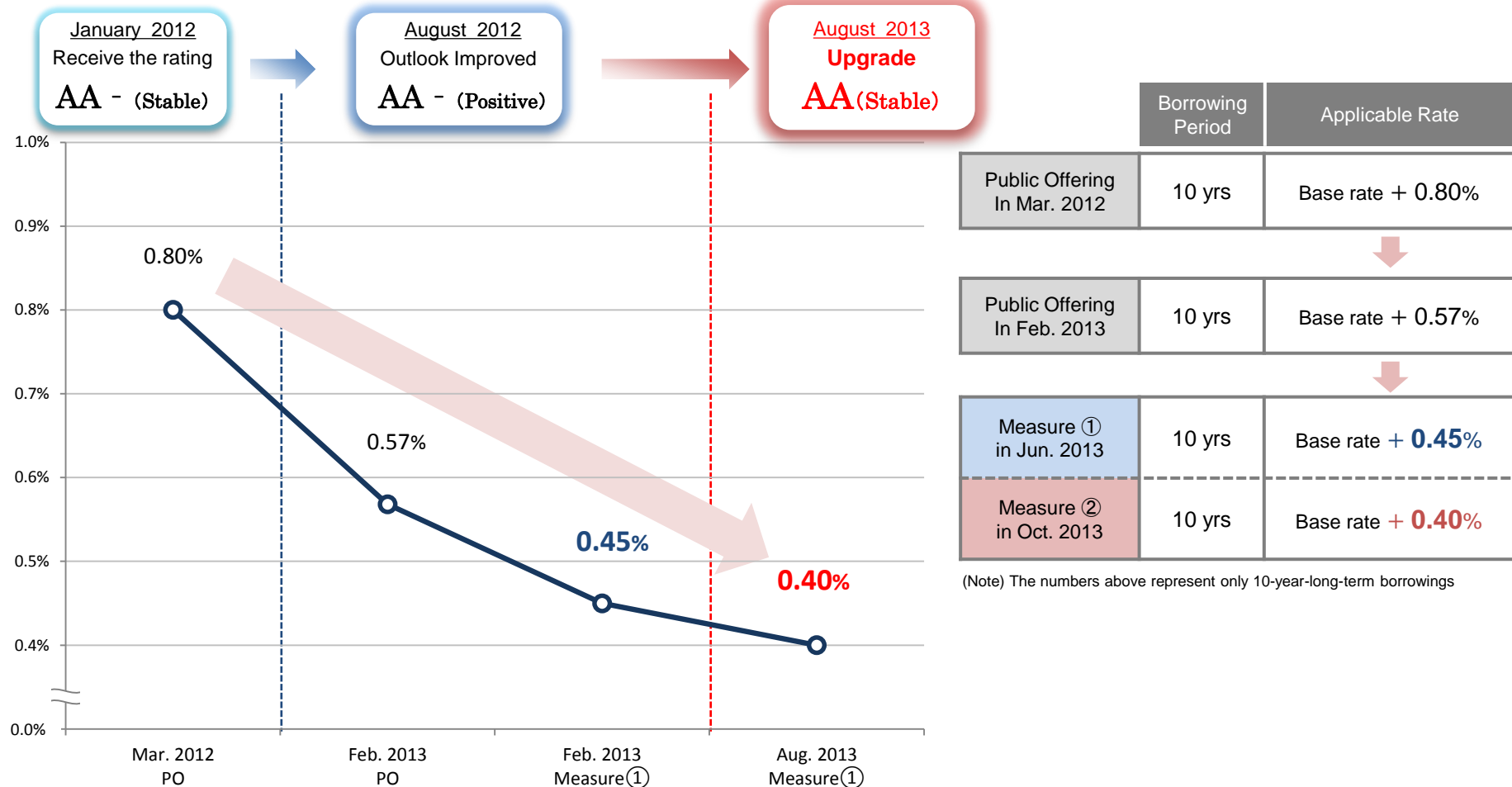
(Note 1) IIF has been assigned the rating for long-term Issuer Rating from Japan Credit Rating Agency, Ltd. ("JCR") (Note 2) As of acquired date. (August 8, 2013)

(Note 3) Figures excluding "Ave. Maturity Duration" and "Fixed Ratio" are as of the end of June 2013, and "Ave. Maturity Duration" and "Fixed Ratio" are as of Oct. 18, 2013, when the borrowing contracted at Aug. 22, 2013 is refinanced. Borrowing which interest rate was (or is planned to be) fixed by utilizing interest rate swap is calculated as fixed-rate borrowing

Appropriate Debt Cost Control

Enhancing solid B/S with decreasing spread of debt

Spread of Long-term Debt with 10-year Borrowing Period

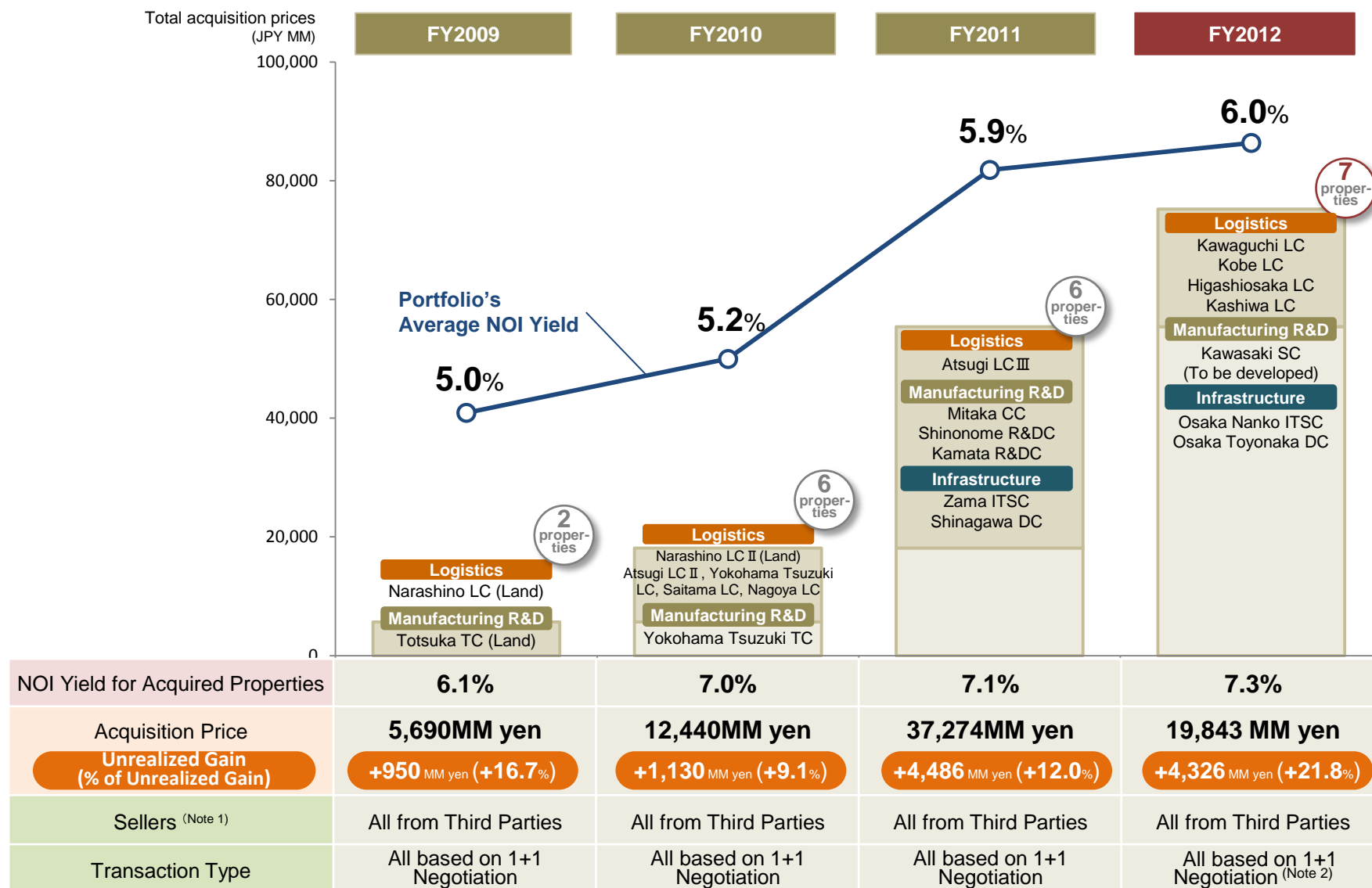


3. Our Approach to Current and Upcoming Issues

③ External Growth

Expanding Strong Track Record as a CRE/PRE Solution Provider

External growth in unique approach for achieving growth in unitholders' value



(Note 1) Acquisition from IIF's sponsor is regarded as acquisition from a third party if the sponsor's role is an equity holder of the bridge finance

(Note 2) Kawasaki SC is treated the same as an acquisition on a negotiation basis because it was acquired in collaboration with the tenant in 2012

Established Unique Business Model as a CRE/PRE Solution Provider

Customized proposals on changing sellers' needs depending on economic environment

PRE/CRE Complex

IIF Kobe Logistics Center



- Nisshin's logistics hub for its Western operation and toy manufacturer's distribution hub
- Highly versatile location covering the Hanshin area broadly
- High-spec facility with good storage, high versatility inside the building and truck berths at both sides

[Seller (Land)] Kobe City
[Seller's Needs] Achieving fiscal soundness

[Seller (Bldg.)] Nisshin Corporation
[Seller's Needs] Off-balance sheet and long-term use

PRE

IIF's proposal

CRE

Fiscal consolidation

Off-B/S by acquiring the property and stable management based on long-term ownership

Off-B/S Development

IIF Kawasaki Science Center



- A new science center of J&J(Note1) to be completed in 2014
- J & J's R&D hub to provide learning programs for safety use of its advanced medical devices and to evaluate development of those devices

[Seller (Land)] Urban Renaissance Agency (UR)
[Tenant's Needs] Needs for a new development on an off-B/S basis

IIF's proposal

Off-B/S Development

Sale and Lease Back

IIF Zama IT Solution Center



Backbone facility for IBM Japan's core business

[Seller] IBM Japan Ltd. (Note2)
[Seller's Needs] Streamline their balance sheet

IIF's proposal

Acquisition of facilities on an off-B/S basis
Needs for long-term use

Non-Core Assets

IIF Atsugi Logistics Center II



- Developed Logistic Center for Odakyu group
- After the group company withdrew, the property rent for third party
- Excellent location near the highway IC

[Seller] Odakyu Electric Railway Co., Ltd.
[Seller's Needs] Capital needs for core business

IIF's proposal

Seller to load off seller's non-core asset from their balance sheet

P/L Control

IIF Shinagawa Data Center



High spec urban data center with internet access points

[Seller] Furukawa Electric Co., Ltd.
[Seller's Needs] P/L control needs (Realized profit)

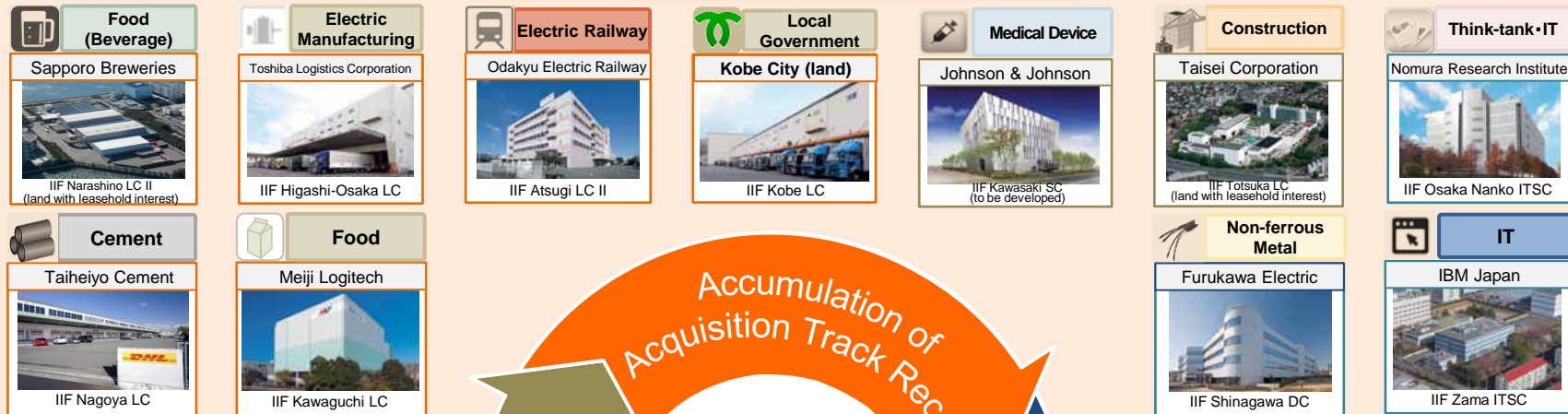
IIF's proposal

Realization of profit by selling seller's asset

Progress in Acquisitions Based on CRE/PRE Solution Proposals

Aim for further external growth by leveraging the track record for coming acquisition

Transactions with Leading Companies in Various Industries

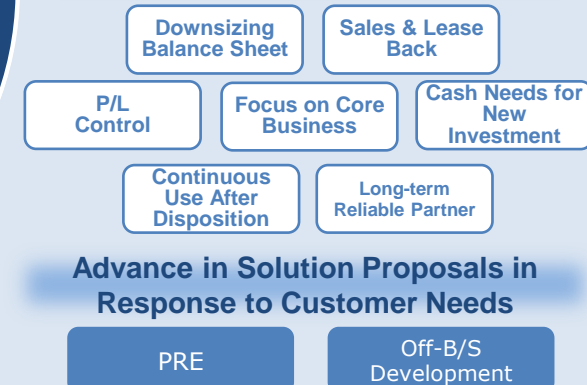


Expanded Pipeline and Selective Acquisition

Pipeline (as of June 30, 2013)	
Number of properties	86 properties
Amount of pipeline properties	Approx. 320Bn yen
«Properties in Pipeline»	
CRE/PRE proposals	
Off-B/S development project	
New asset category	



Solution Proposal to Various CRE Needs



4. Operating Results and Earnings Forecast

Operating Results for the Period Ended Jun. 2013 (12th Period)

DPU 15,643 yen and more than 11.0Bn yen of unrealized gain after 2013 PO

		(JPY MM)							
	Dec.2012 (11th Period Actual)	Jun.2013 (12th Period Actual)				Jun.2013 (Original Estimation)	Jun.2013 (12th Period Actual)		
			Period-over-period					Difference with estimation	
P/L Main Information	Operating Revenue	5,037	5,791	+754	+15.0%	5,742	5,791	+48	+0.8%
	Operating Expense	2,202	2,556	+353	+16.1%	2,525	2,556	+30	+1.2%
	Operating Income	2,834	3,235	+400	+14.1%	3,217	3,235	+17	+0.6%
	Non-Operating Income	2	1	0	(35.6%)	-	1	+1	-
	Non-Operating Expense	814	788	(25)	(3.1%)	781	788	+7	+1.0%
	Ordinary Income	2,022	2,448	+425	+21.0%	2,436	2,448	+11	+0.5%
	Extraordinary Income	1	-	(1)	(100.0%)	-	-	-	-
	Net Income	2,023	2,447	+423	+20.9%	2,435	2,447	+11	+0.5%
	Distributions per Unit (yen)	14,387	15,643	+1,256	+8.7%	15,567	15,643	+76	+0.5%
Others	Capital Expenditure	320	162 ⁽¹⁾	(158)	(49.4%)	221	162	(58)	(26.7%)
	Repair Expense	74	77 ⁽²⁾	+3	+4.5%	73	77	+4	+6.4%
	Total	395	239	(155)	(39.3%)	294	239	(54)	(18.4%)
	Depreciation	764	842	+78	+10.2%	842	842	0	+0.0%
	FFO	2,787	3,289	+501	+18.0%	3,277	3,289	+12	+0.4%
	AFFO	2,467	3,127	+660	+26.8%	3,056	3,127	+71	+2.3%
	Number of Properties	23	29	+6	-	29	29	-	-
	Occupancy Rate	100.0%	99.9%	(0.1p)	-	99.9%	99.9%	-	-
	Total Book Value	147,464	164,053	+16,588	+11.2%				
	Total Appraisal Value	153,620	175,289	+21,669	+14.1%				
	Unrealized Gain	6,155	11,235	+5,080	+82.5%				
	Total Debt	80,000	89,000	+9,000	+11.3%				
	LTV	51.8%	50.8%	(1.0p)	-				
	Total Net Asset	63,904	74,860	+10,956	+17.1%				
	Net Asset per Unit	454,411	478,552	+24,141	+5.3%				

■ Major Changes (Period over Period)

(Period ended June 2013 vs period ended December 2012) (JPY MM)

Operating Revenue	+754
✓ Increase in rent revenue from the seven properties acquired at PO (including Kawaguchi LC)	+648
Operating Expenses	+353
✓ Increase in PM fee and utilities cost (seven properties acquired at 2013 PO)	+122
✓ Increase in fixed asset tax and city planning tax (six properties acquired at 2012 PO and Kawaguchi LC)	+99
✓ Increase in depreciation amount (seven properties acquired at 2013 PO)	+71
✓ Increase in AM fee and administrative agent fee	+45
Non-operating Expenses	(25)
✓ Decrease in interest cost by refinancing (3.9 billion yen subordinated loan → loan)	(68)
✓ Decrease in interest cost by refinancing (10 billion yen loan → investment corporation bond)	(40)
✓ Increase in interest cost for new debt at 2013 PO	+62
✓ Increase in depreciation of unit delivery expenses(2013 PO)	+28

■ Major Changes (Difference with Estimation)

Operating Revenue	+48
✓ Increase in receiving utilities cost(balance out revenue and expense) (Shinonome R&D / Noda LC / Higashiosaka LC / Toyonaka DC)	+38
Operating Expenses	+30
✓ Increase in utilities cost(balance out revenue and expense) (Shinonome R&D / Noda LC / Higashiosaka LC / Tohonaka DC)	+40
✓ Decrease of research cost	(9)
Non-operating Expenses	+7
✓ Temporary cost by repayment of 7.5 billion yen loan in advance	+9

(Note 1) Mitaka : 21MM for renewal of air conditioners, 17MM for renewal of automatic fire-alarm boxes, 11MM for renewal of high-pressure condensers, 5MM for renewal of free-access area, Haneda: 31MM for renovation of M1 and M2 exterior walls, 11MM for renovation of power supply of M2 emergency lighting, , Nagoya: 16MM for painting exterior wall and iron parts, Saitama: 9MM for renewal of ELV, Shinonome R&D: 5MM for replacement of a relaying device to protect power receiving and substation system, Kobe DHC: 4MM for renewal of storage batteries

(Note 2) Nishinomiya: 10MM for painting, Atsugi: 7MM for removal of wooden boards, Mitaka: 2MM for waterproofing work, Kamata: 2MM for painting exterior iron parts and roof-top exhaust air duct, Atsugi II : 2MM for repair of exterior wall, 1MM for replacing fire extinguishing equipments, Atsugi III : 2MM for painting exterior, Osaka Toyonaka: 2MM for checking inspection of power receiving and substation system, Tsuzuki TC: 1MM for overhauling air-cooled chillers , Nagoya: 1MM for painting exterior

Earnings Forecast for the Period Ending Dec. 2013 (13th Period)

Distribution up to 15,958 yen despite profit decline due to increase in tax and public dues

		(JPY MM)			
	Jun.2013 (12th Period Actual)	Dec.2013 (13th Period Estimated)		Jun.2013 (13th Original Estimated)	Compared to previous estimation
			Period-over-period		
P/L Main Information	Operating Revenue	5,791	6,010	+219	+3.8%
	Operating Expense	2,556	2,719	+162	+6.4%
	Operating Income	3,235	3,291	+56	+1.7%
	Non-Operating Income	1	-	(1)	(100.0%)
	Non-Operating Expense	788	794	+5	+0.7%
	Ordinary Income	2,448	2,497	+49	+2.0%
	Extraordinary Income	-	-	-	-
	Net Income	2,447	2,496	+49	+2.0%
	Distributions per Unit (yen)	15,643	15,958	+315	+2.0%
Others	Capital Expenditure	162	246 ⁽¹⁾	+84	+52.1%
	Repair Expense	77	54 ⁽²⁾	(22)	(29.5%)
	Total	239	301	+61	+25.6%
	Depreciation	842	868	+25	+3.1%
	FFO	3,289	3,364	+75	+2.3%
	AFFO	3,127	3,118	(9)	(0.3%)
	Number of Properties	29	29	-	-
	Occupancy Rate	99.9%	99.9%	-	-

(Note 1) Shinonome R&D: 190MM for replacement of air conditioners, 2MM for renewal of fire control water supply tank, Shinagawa DC: 17MM for laying an OA floor, Osaka Toyonaka DC: 6MM for laying an OA floor, Mitaka CC: 5MM for renewal of water supply equipment, Atsugi LC: 3MM for replacement of ELV parts

(Note 2) Shinonome R&D: 21MM for removal of air-conditioners and lighting facilities, 2MM for air-conditioning facilities, Mitaka CC: 5MM for repair of the top light at the roof, Shinagawa DC: 3MM for inspection and maintenance of smoke pipes of the emergency generator

Major Changes (Period over Period)

(Period ended June 2013 vs period ended December 2012) (JPY MM)

Operating Revenue	+219
✓ Full contribution from seven properties acquired at 2013 PO	+211
✓ Increase in rent of Shinsuna LC	+4
Operating Expenses	+162
✓ Increase in fixed asset tax and city planning tax (full contribution from six properties acquired at 2012 PO and Kawaguchi LC)	+81
✓ Increase in PM fee and utilities cost (full contribution from seven properties acquired at 2013 PO)	+52
✓ Increase in depreciation amount (full contribution from seven properties acquired at 2013 PO)	+16
✓ Increase in AM fee and administrative agent fee	+20
Non-operating Expenses	+5
✓ Decrease in interest cost by refinancing (JPY15.0Bn)	(23)
✓ Increase in interest cost by full contribution of the new debt at PO in 2013	+16
✓ Increase in Depreciation of unit delivery expenses (full contribution from 2013 PO)	+5

Major Changes (Compared to Previous Estimation)

Operating Profit	(32)
✓ Estimated difference in rent revenue partly for Toyonaka DC	(17)
✓ Increase in AM fee and fee for professionals	(12)
Current Profit	(11)
✓ Decrease in interest cost by refinancing (JPY15.0Bn)	+19
✓ Increase in depreciation of unit delivery expenses	(5)

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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