



Industrial & Infrastructure Fund
Investment Corporation

<http://www.iif-reit.com/english/>



Investor Presentation for the December 2013 (13th) Period



Ticker 3249



Mitsubishi Corp UBS Realty

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1. Executive Summary – Our Growth Path

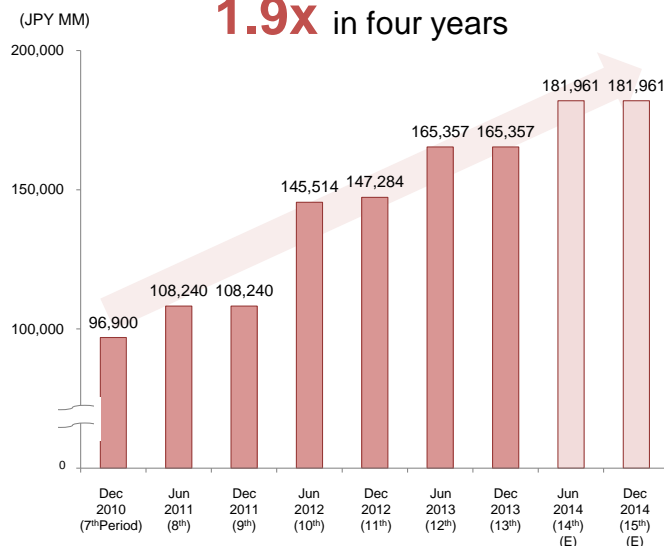
Four consecutive POs led to 8 successive periods of increased revenue, income and DPU

	Jul – Dec 2010 (7 th Period)	Jan – Jun 2011 (8 th Period) Public Offering	Jul – Dec 2011 (9 th Period)	Jan – Jun 2012 (10 th Period) Public Offering	Jul – Dec 2012 (11 th Period)	Jan – Jun 2013 (12 th Period) Public Offering	Announced Feb 19, 2014 Jul – Dec 2013 (13 th Period)	Disclosed Jan 15, 2014 Jan – Jun 2014 (14 th Period) (Forecast) Public Offering	Jul – Dec 2014 (15 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)	6,037 (203.8)	6,620 (223.5)	6,876 (232.1)
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)	2,509 (314.3)	2,679 (335.6)	2,732 (342.3)
Units Outstanding (units)	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)	165,532 (209.4)	165,532 (209.4)
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)	16,043 (158.8)	16,184 (160.2)	16,508 (163.4)
Number of Properties	11	16	16	22	23	29	29	36	36
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)	181,961 (187.8)	181,961 (187.8)

(Note) Figures in parentheses are indexed using the December 2010 (7th) fiscal period as the base year with index value equal to 100

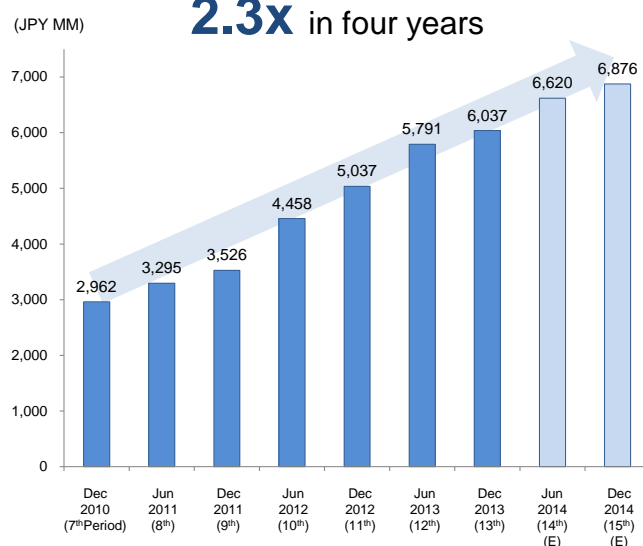
Total Acquisition Price

1.9x in four years



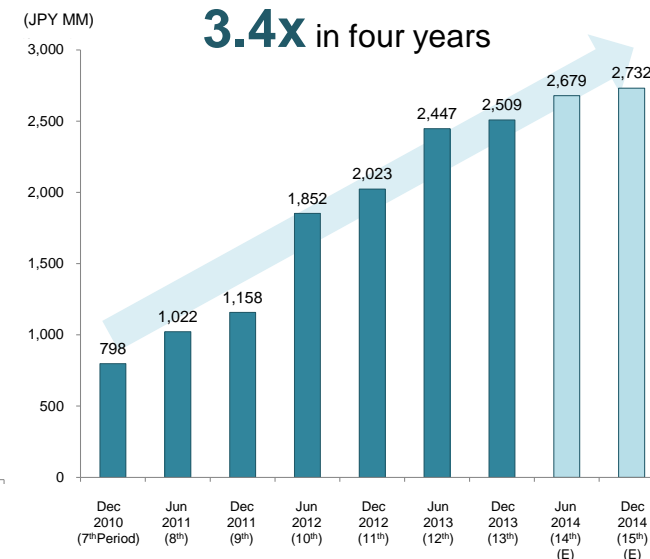
Operating Revenue

2.3x in four years



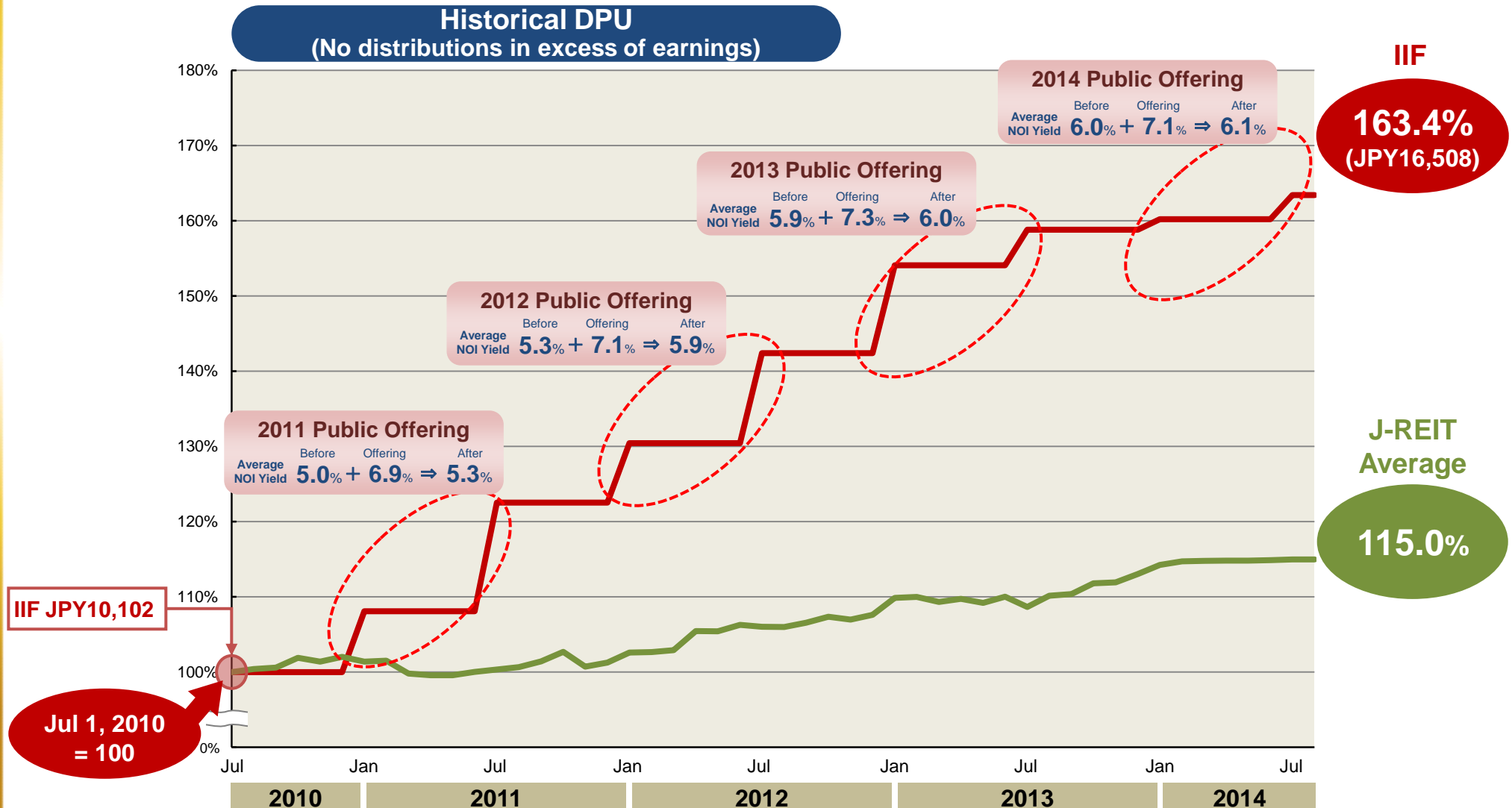
Net Income

3.4x in four years



Achieved DPU Growth by Expanding Portfolio

DPU up by 63% - 4 consecutive POs led to increase portfolio profitability



(Note 1) Y-axis indicates indexed DPU trend using July 1, 2010 as the base date with index value equal to 100

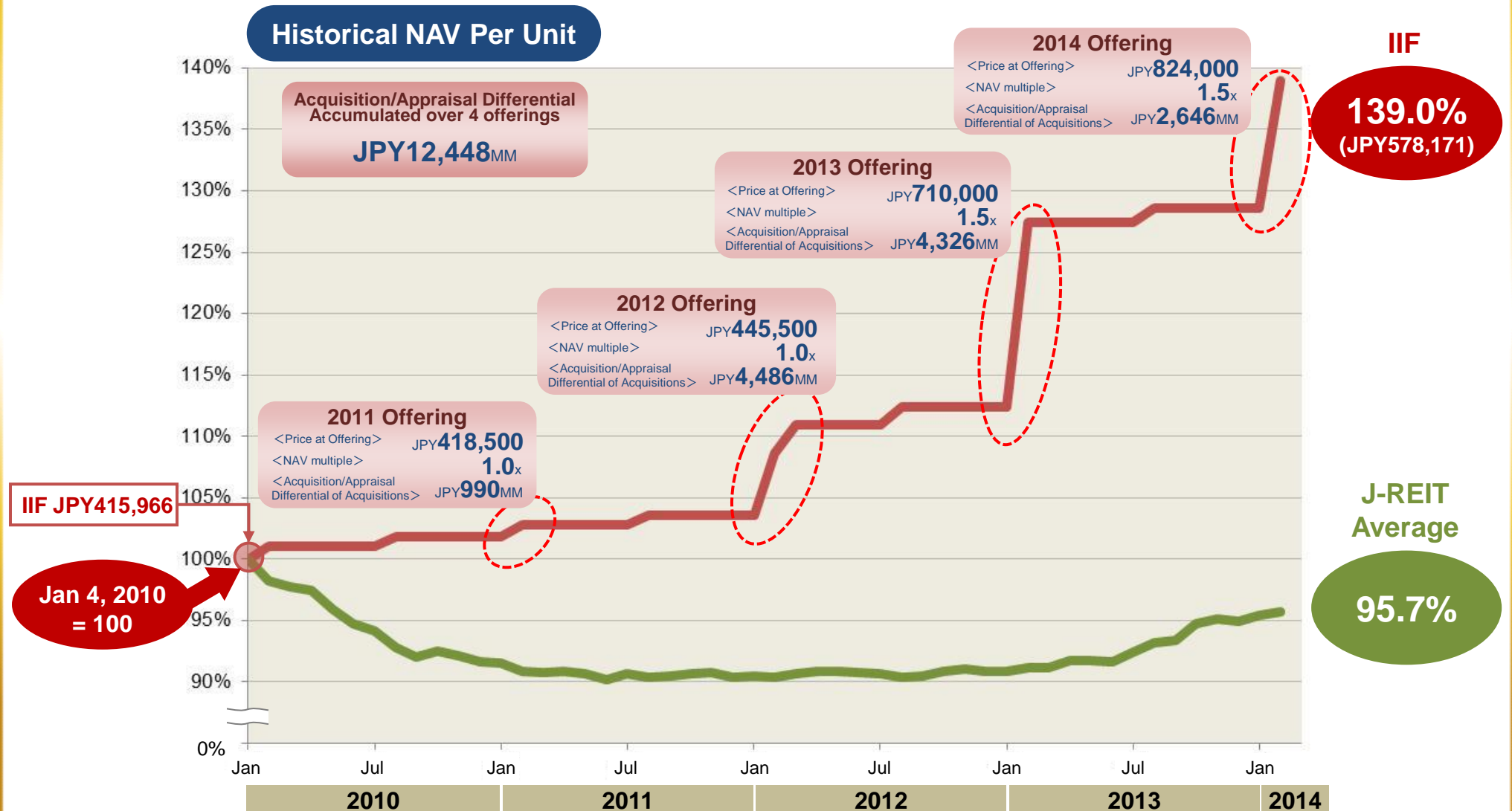
(Note 2) Pro-forma figures which include forecasted DPU

(Note 3) J-REIT average DPU does not include J-REITs listed after July 2010

(Source) Based on J-REIT disclosures

Achieved Per Unit NAV Growth by Expanding Portfolio

NAV up by 39% - Acquiring properties at discount through appropriately timed offerings



(Note 1) Y-axis indicates indexed per unit NAV trend using Jan 4, 2010 as the base date with index value equal to 100

(Note 2) "Acquisition/appraisal differential" refers to the difference between the acquisition price and appraisal value (at acquisition) of the portfolio properties

(Note 3) NAV per unit is calculated by including acquisition/appraisal differential for the properties in unitholders' capital

(Source) Based on J-REIT disclosures

2. Overview of February 2014 Public Offering

Overview of February 2014 Public Offering ①

Continuing our strategy to achieve growth of unitholders' value

Assets

– Steady growth by providing CRE solution proposals –

8 Properties

JPY **16.6Bn**

- ✓ Average NOI yield **7.1%**
- ✓ Average remaining lease term **16.6yrs**
- ✓ Fixed-term lease ratio **76.0%**

Positive spread of 5.6%

Fixed/long-term matching



IIF Nagoya Port Tank Terminal
(land with leasehold interest)
Acq. Price: JPY1,900MM
NOI Yield: 6.6%



IIF Hiroshima Logistics Center
Acq. Price: JPY3,540MM
NOI Yield: 6.6%



IIF Misato Logistics Center
Acq. Price: JPY3,550MM
NOI Yield: 6.5%



IIF Iruma Logistics Center
Acq. Price: JPY3,184MM
NOI Yield: 6.6%



IIF Narashino Logistics Center II
(building with leasehold interest)
Acq. Price: JPY1,200MM
NOI Yield: 11.1%



IIF Inzai Logistics Center
Acq. Price: JPY1,060MM
NOI Yield: 7.1%



IIF Tosu Logistics Center
Acq. Price: JPY1,570MM
NOI Yield: 6.5%



IIF Morioka Logistics Center
Acq. Price: JPY600MM
NOI Yield: 12.4%

Debt

– Further enhancement of stability –

New Debt Financing

JPY **7.4Bn**

- ✓ Average interest rate **1.5%**
- ✓ Average debt maturity **10.1yrs**
- ✓ Fixed debt ratio **100.0%**

Deposits received and Cash on hand

Equity

– Pursuit of long-term unitholders' value –

Net Proceeds of the Offering

JPY **7.0Bn**

- ✓ Units offered **9,100 units**
- ✓ Ratio of units offered to outstanding **5.8 %**
- ✓ Offering structure **Reg.S / 144A**

Please refer to the Appendix for detail of numbers and data mentioned in this page

Overview of February 2014 Public Offering ②

Assets

- Steady growth by providing CRE solution proposals -

	As of end June 2013 (as of end 12 th Period)		The Offering (Note1)		After Offering (and acquisitions)
• Number of properties	29 properties	+	8 properties <small>(includes additional acquisition of the building for a property)</small>	=	36 properties
• Acquisition price (JPY MM)	165,357	+	16,604	=	181,961
• Average NOI Yield ^(Note) (before depreciation)	6.0%		7.1%	➔	6.1%
• Average NOI Yield ^(Note) (after depreciation)	4.9%		5.9%	➔	5.0%

(Note 1) Estimated value at the acquisition of 8 properties by PO.

(Note 2) "+399 yen" of the period ending June 30, 2014 and "+407 yen" of the period ending December, 2014 are described as the extra growth through the accretive equity offering and these figures are calculated as the difference between the forecasted dividends of each period and the assumed dividend in case that total offering price, total net proceeds and total number of the assumed dividend in case that total offering price, total net proceeds and total number of new issue units are determined on the basis of the NAV per unit as of the end of Jun. 2013.

(Note 3) Refer to the next page's Note1.

Please refer to the Appendix for detail of numbers and data mentioned in this page

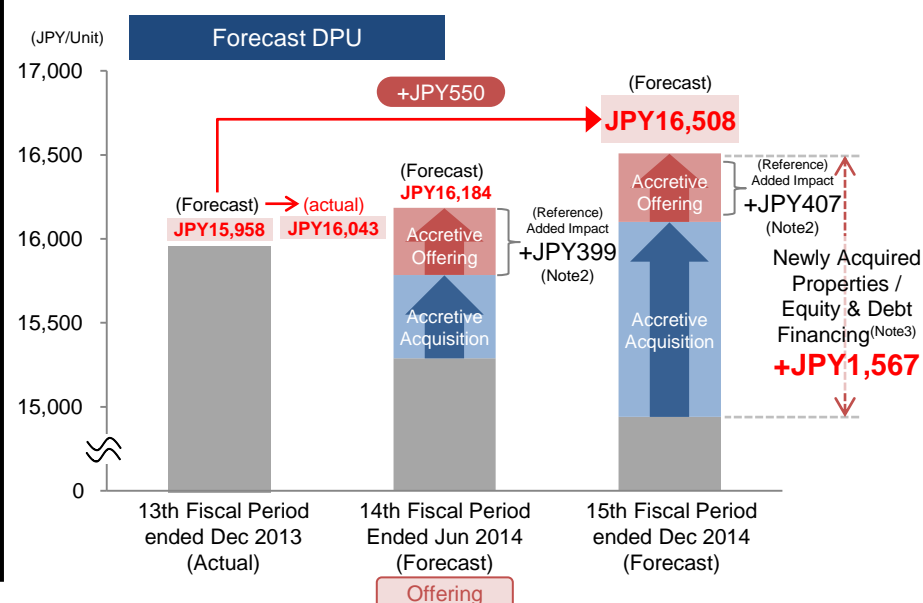
Debt

- Further enhancement of stability -

	Before Offering (as of end June 2013)		After Offering (and acquisitions)
• Average interest rate ^(Note)	1.27%	➔	1.40%
• Average debt maturity ^(Note)	5.5yrs	➔	6.2yrs
• Fixed debt ratio ^(Note)	89.3%	➔	100.0%
(Reference) Long-term issuer rating	AA_(Stable)		

Equity

- Pursuit of long-term unitholders' value -

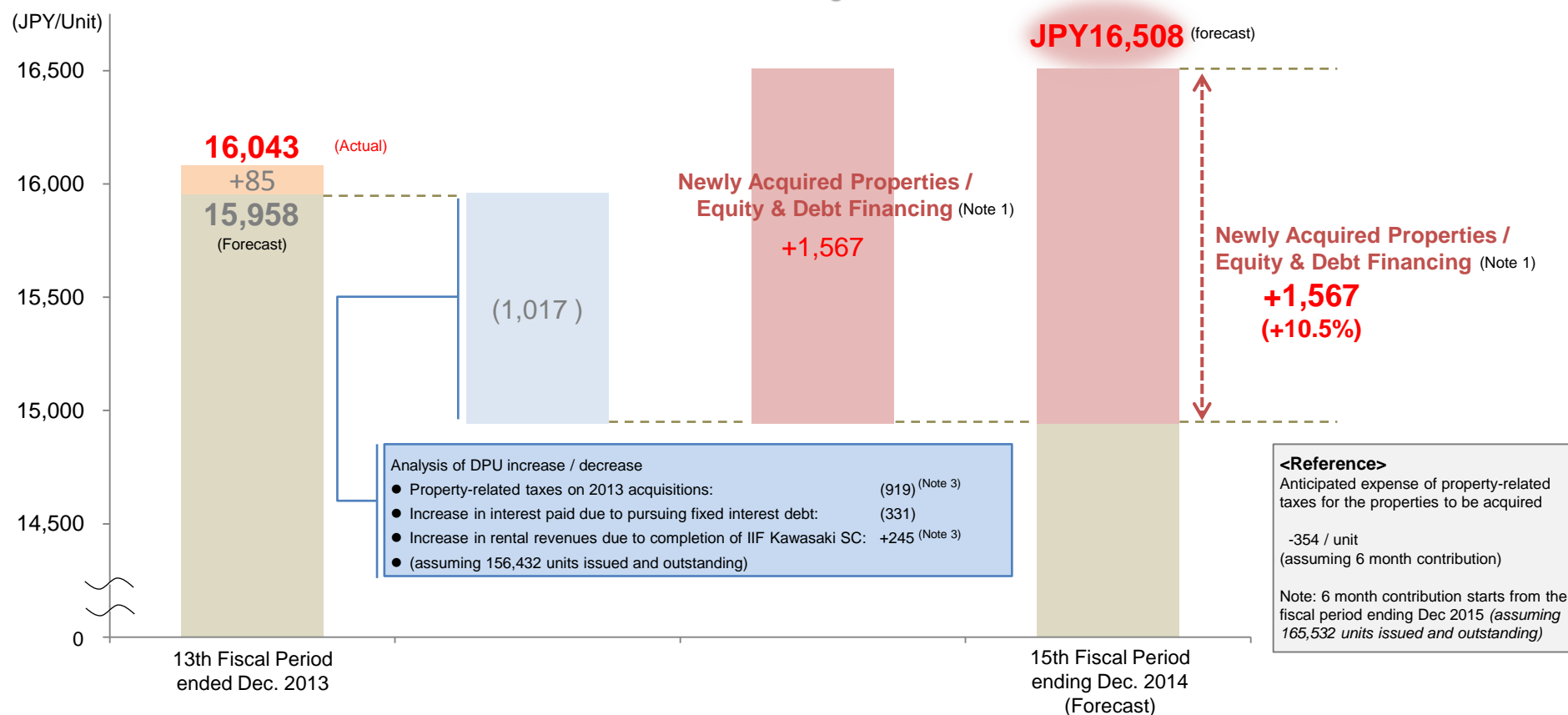


Impact of the Offering on Forecast DPU

Forecast DPU for the 15th period increased by JPY1,567 due to the PO

Key Factors Affecting Forecast DPU

- Property-related taxes relating to the newly acquired properties which will affect DPU in the next year is expected to be JPY550 per unit lower than this year
- Achievement of 100% fixed debt ratio will mitigate additional debt costs



(Note 1) Represents forecasted overall impact of 8 new property acquisitions and related equity and debt financing, shown as the difference in DPU. Such impact may be subject to change.

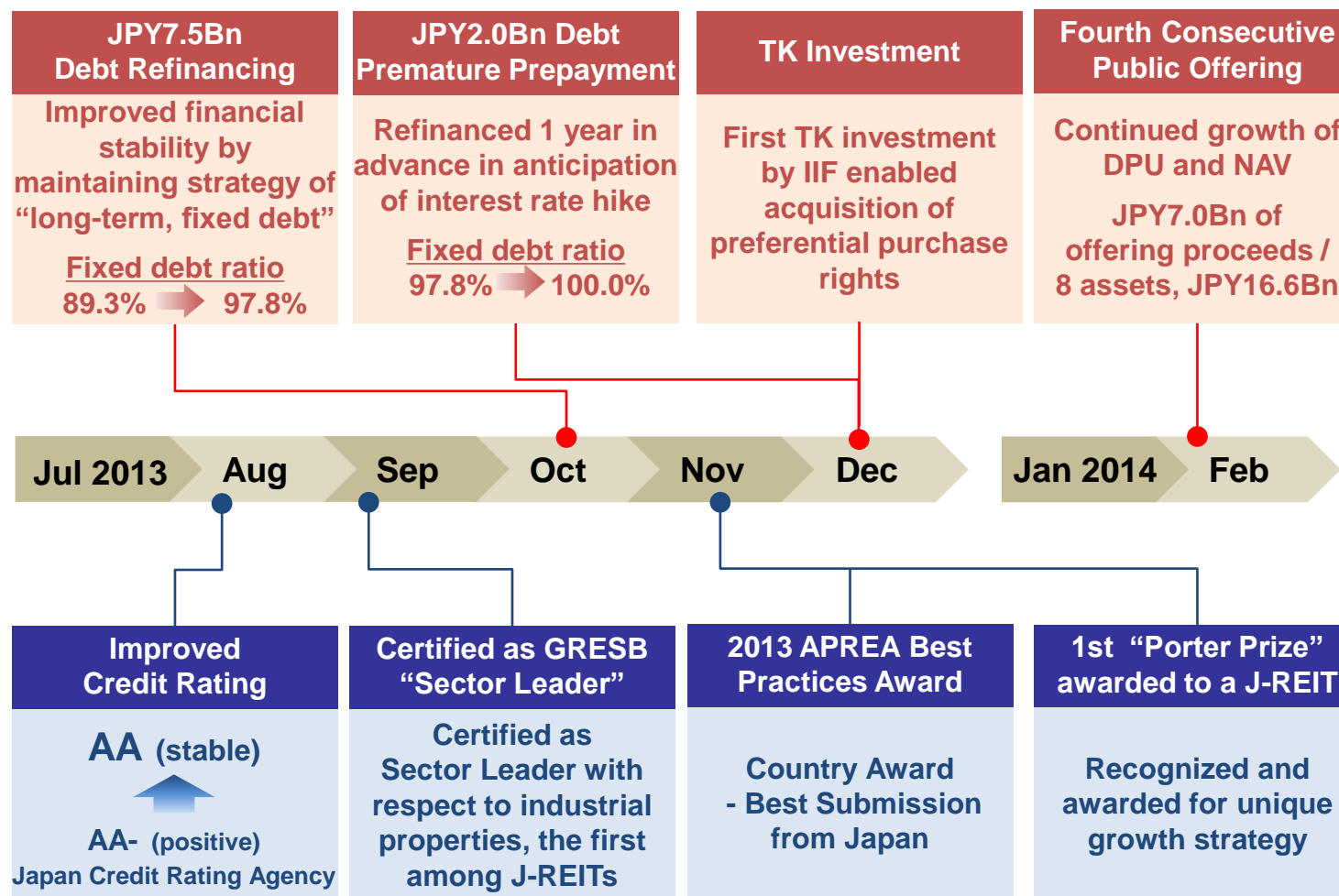
(Note 2) "IIF Kawasaki SC" refers to IIF Kawasaki Science Center (to be developed).

(Note 3) IIF Kawasaki SC was acquired in fiscal year 2013, and the decrease in DPU attributable to property-related taxes regarding IIF Kawasaki SC is included in "Property-related taxes on FY2013 acquisitions (919)". Thus, "Increase in rental revenues due to completion of IIF Kawasaki SC (+245)" is calculated without taking into account the decrease in DPU attributable to Property-related taxes regarding IIF Kawasaki SC.

3. Highlights for the December 2013 (13th) Fiscal Period

Major Achievements During the 12th and 13th Fiscal Periods

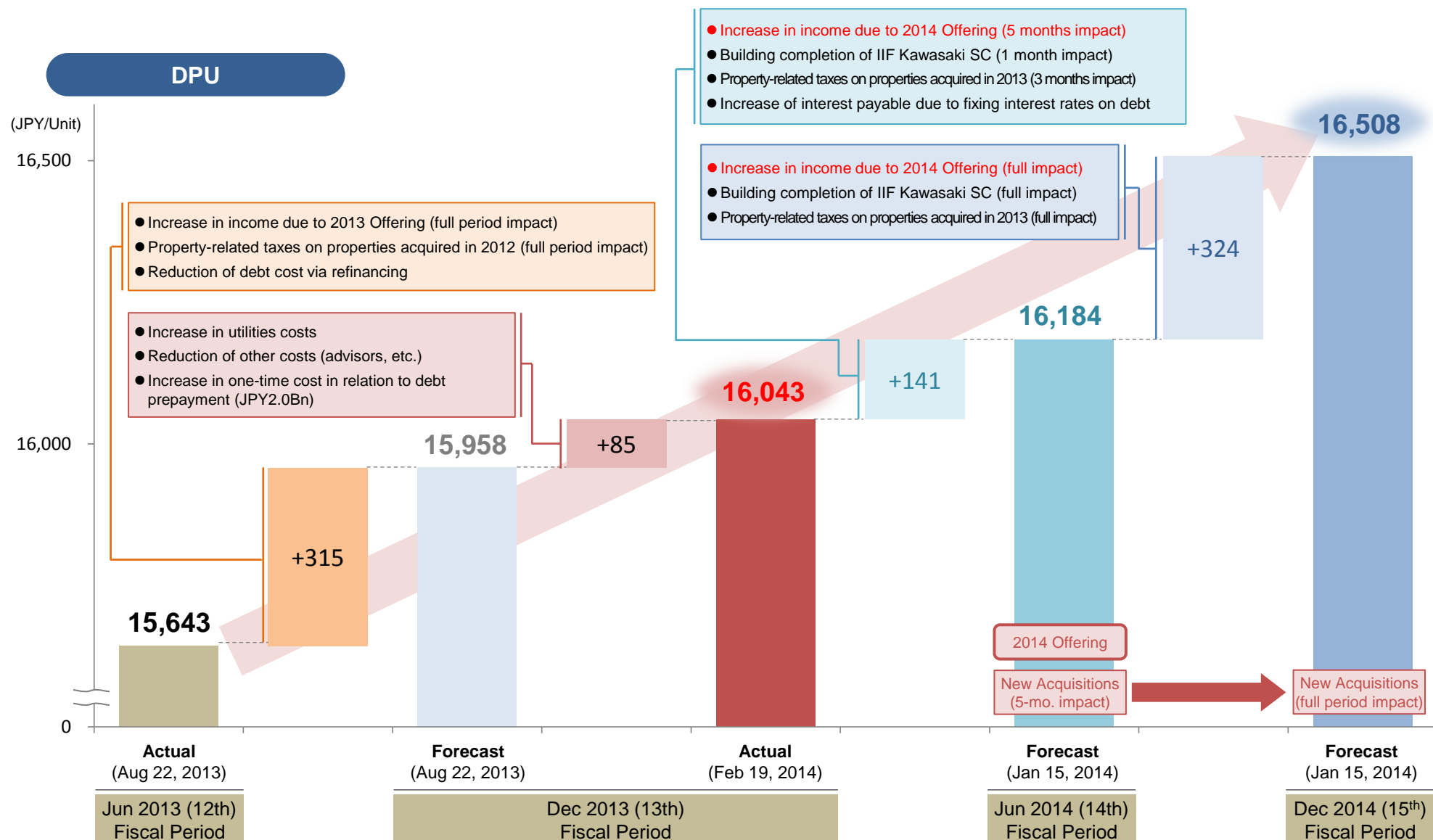
Major Achievements



Market Assessment

DPU Track Record and Forecast

Four consecutive public offerings led to 8 successive periods of DPU growth



New Method to Capture Acquisition Pipeline

Acquired preferential purchase rights for pipeline property through TK investment (first time for IIF)

■ Kyo-tanabe Logistics Center (Property with Preferential Purchase Rights)^(Note 1)



Overview of TK Investment

Asset Type	Equity interest in a trust beneficiary right via a TK investment
Asset Name	TK investment in SBS Logi Fund 1 GK(SLF1)
Property held in trust	Kyo-tanabe Logistics Center
Contribution by IIF (share of TK interest)	JPY10 million (1.25%)
Exercise period of preferential purchase right	March 31, 2015 – September 30, 2016

(Note 1) IIF has obtained a preferential purchase right with respect to the property from the current trust beneficiary. Please note that IIF has not made any decision to acquire the property at this time and that there is no assurance that property will be acquired in the future.

Highlights

CRE

1-on-1 Negotiation

TK Investment

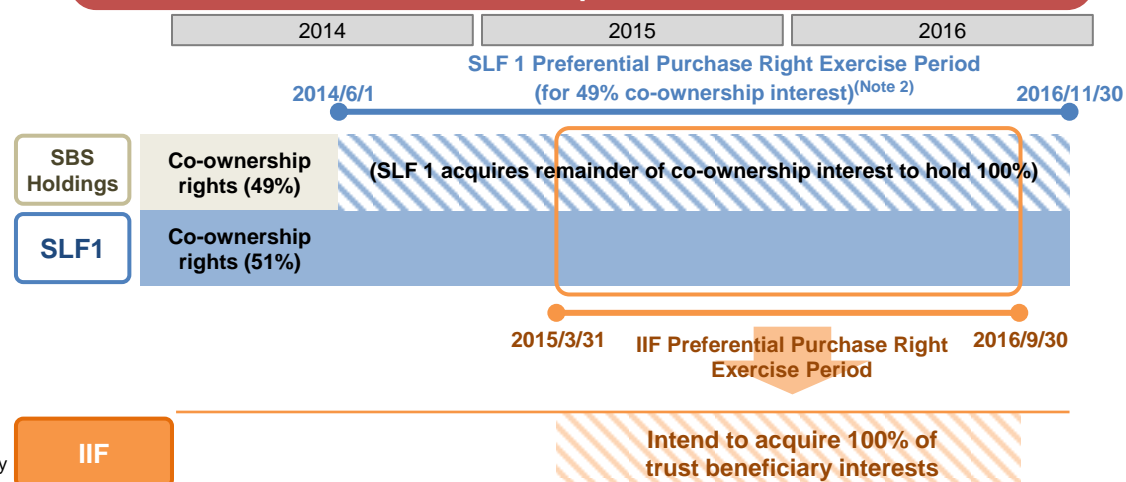
- Our first ever acquisition of preferential purchase rights relating to a property through *tokumei kumiai* (TK) investment
- Leased by logistics subsidiary of Takara Shuzo, serves as tenant's headquarters and flagship distribution center
- 1-on-1 negotiations providing a strategic CRE solution to the seller, a leading third party logistics company

Tenant

Takara Butsuryu System

Appraisal Value: **JPY3,120MM**
(51% of co-ownership rights)

Structure and Acquisition Schedule



(Note 2) Such preferential purchase right will be provided to IIF if SLF1 does not exercise the right

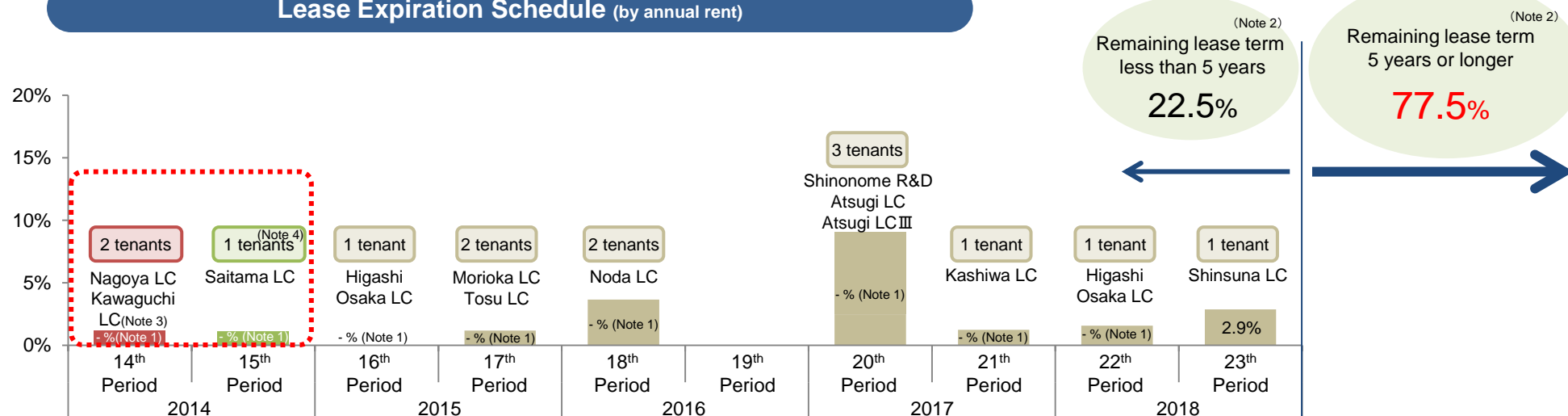
4. Our Approach to Current and Upcoming Issues

① Management of Our Existing Portfolio

Our Portfolio Generating Stable Cash Flow from Long-term Leases

Maintaining stability through solid management of the few tenants whose leases expire each fiscal period

Lease Expiration Schedule (by annual rent)



Management Strategy for Tenant Leases Expiring in 14th and 15th Fiscal Periods

	Lease Expiry	Property Name	Tenant	% of Entire Portfolio (by rent)	Achievements/Action Plans
Period ending Jun 2014 (14th Period)	2014/3/13 ^(Note 3)	Nagoya LC	DHL Supply Chain	0.8% ^(Note 1)	<ul style="list-style-type: none"> ● Tenant to vacate by Jun 13, 2014 due to retraction of intention to rollover. ● The period between lease expiry and vacate date, DHL will make a double payment. ● IIF is considering various strategies, as well as a leasing to a new tenant.
	2014/6/30	Kawaguchi LC	Meiji Logitech	— %	<ul style="list-style-type: none"> ● Lease to expire on Jun 30, 2014 due to exercise of termination option. ● IIF is negotiating with potential tenants in order to mitigate vacancy period.
Period ending Dec 2014 (15th Period)	2014/11/30	Saitama LC	MM Corporation	1.1%	<ul style="list-style-type: none"> ● Tenant has not indicated intention to vacate. ● IIF intends to negotiate with current tenant to execute a long-term lease

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

(Note 2) Based on the period from Jan 1, 2014 until the lease expiration date prescribed in each lease agreement

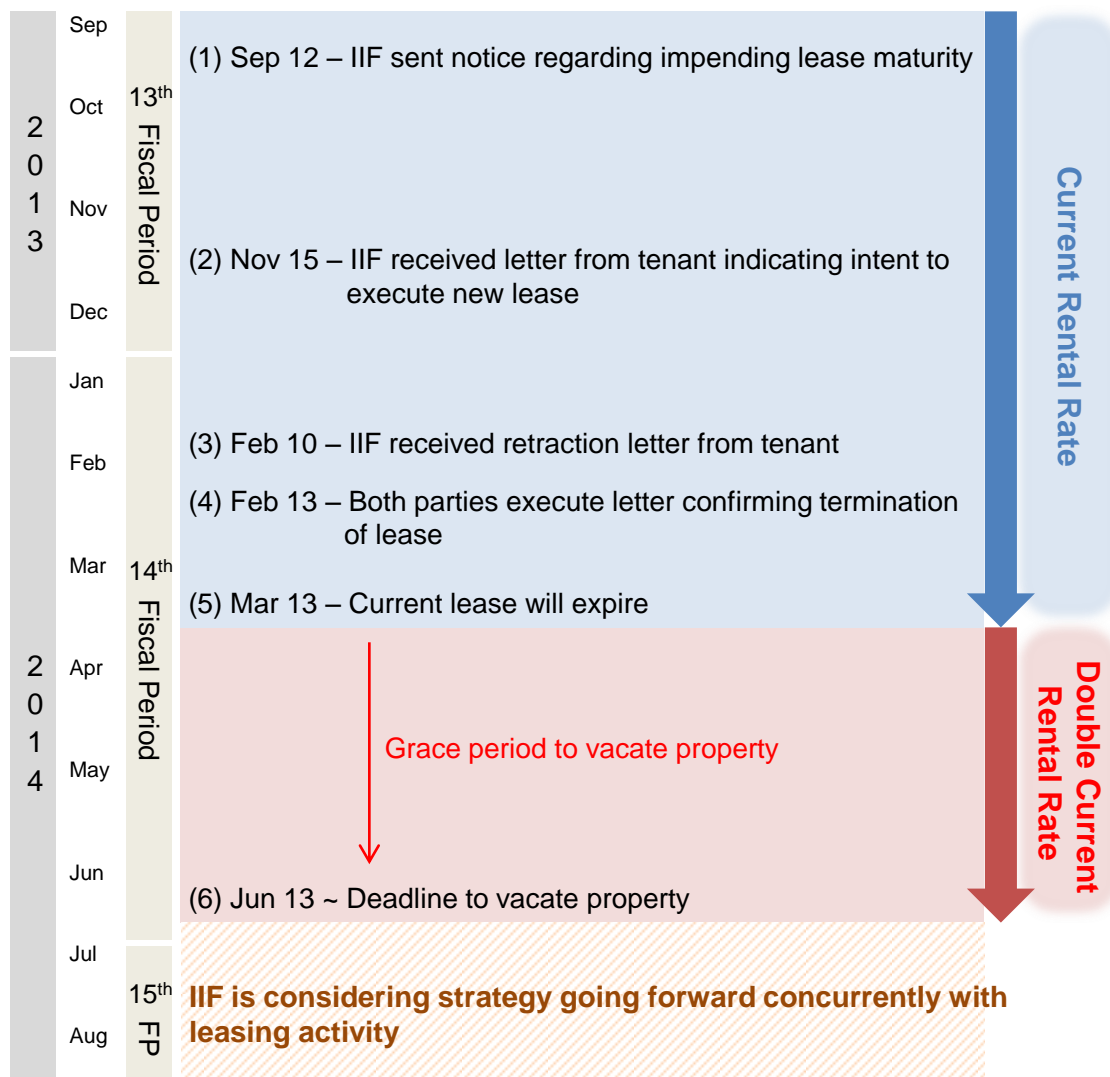
(Note 3) The expiry of Kawaguchi LC is the date of its exit after the exercise of termination option

(Note 4) There is one tenant (Settsu Warehouse) whose lease agreement is going to expire on 15th period in Higashi Osaka LC. However, it omitted from the above graph since such lease pertains to part of the office area (approximately 60 tsubo)

Issue Regarding IIF Nagoya LC① – Background and Impact

Secured contractual rights as provided to IIF in the original lease by executing a confirmation letter upon sudden retraction by the tenant of its intention to execute a new lease

Background of Negotiations with Current Tenant



Background of Negotiations

(1) – (2): Initial Stance of Tenant

Submitted intent to execute new lease in order to continue its business
⇒ Discussed terms and reached overall agreement

(3): Rationale for Retraction of Letter of Intent

Sudden change to its business location strategy
(IIF received request for 3months extension of deadline)

(4): Actions Taken by IIF

Executed a confirmation letter with the tenant regarding:

- **Penalty payment of double the current rental rate until the tenant vacates the property;** and
- **Clarification of the deadline to vacate the property**

Impact on DPU (Note)

14th Fiscal Period	Double rent → +JPY120 (0.7% of announced DPU)
15th Fiscal Period	If vacancy continues for 6 months → JPY(291) (1.8% of announced DPU)

(Note) Impact on DPU is calculated based on the current number of units issued and outstanding (165,532 units). Additionally the impact on DPU is calculated in consideration of only the issue regarding Nagoya LC. Actual DPU may differ due to causes other than those described herein.

Issue Regarding IIF Nagoya LC② – Strategy Going Forward

IIF is considering an optimal strategy while concurrently undertaking leasing activities

Scarce logistics facility located near central Nagoya

Location Characteristics

✓ Convenient location enabling reduction of delivery time

- Approx. 6km from JR Nagoya station, and near highway junctions and ports
- Numerous residences nearby; potential for housing redevelopment



Property Characteristics

✓ Scarce property in the vicinity with Gross Floor Area over 2,000 tsubo

- Ample 33 truck berths and an on-site parking lot

✓ Specifications geared towards sorting and delivery of cargo

- Limited storage capabilities (mainly for pass-through deliveries to Nagoya)



Management Strategy Going Forward

✓ Commenced leasing activity

- Listed up approximately 30 companies as potential leasing targets
- Leasing activity focusing on identifying demand for a pass-through distribution center

✓ IIF will also consider other options

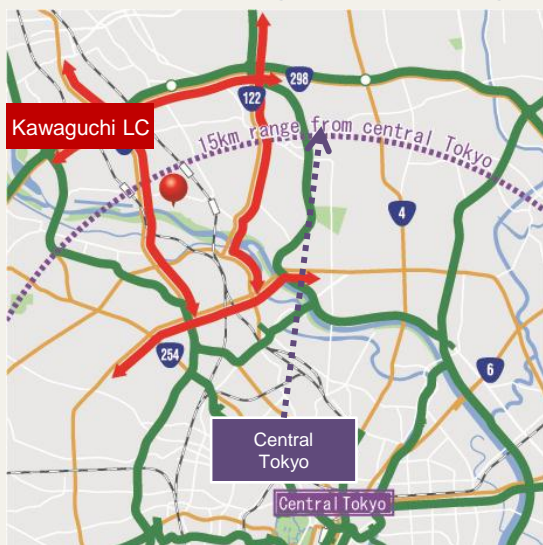
- IIF will determine the optimal strategy by monitoring the rental market as well as construction cost trends
- Options: Leasing activity, redevelopment, property divestment as-is

Leasing Activity Regarding IIF Kawaguchi LC①

Favorable warehouse specifications: Near Tokyo metropolitan area, 4 separate temperature zones

Location Characteristics

- ✓ Convenient location to deliver to central Tokyo and wide coverage area which also includes Saitama Prefecture
- ✓ Although there is significant demand for logistics space in the area, demand for large-scale logistics properties is unmet as tenants are unable to lease large areas in a single property



(Road Access)

- Approx. 7km to Shuto Expway Route 5 (Ikebukuro), Kawaguchi Route and Tokyo-Gaikan Expway
- Superior access to central Tokyo via National Routes 17 and 122
- Wide-area deliveries covering the northern Tokyo and southern Saitama Pref. via Loop Expway Route 7 and National Route 298

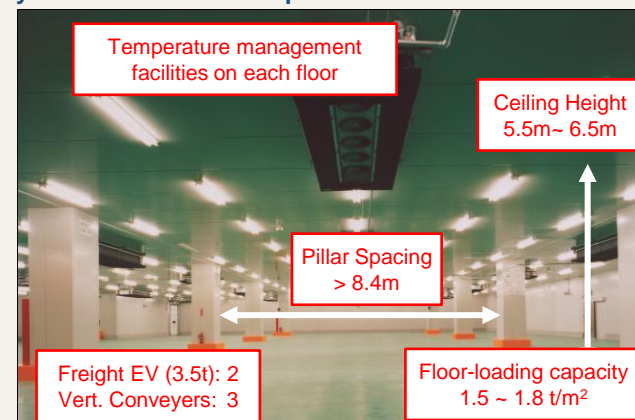
(Railway Access)

- 1.9km (25min walk) to Kawaguchi Station on the JR Line
- Nearest bus stop is "Lalagarden" on the Kokusai Kogyo Bus route to JR Kawaguchi station

Property Characteristics

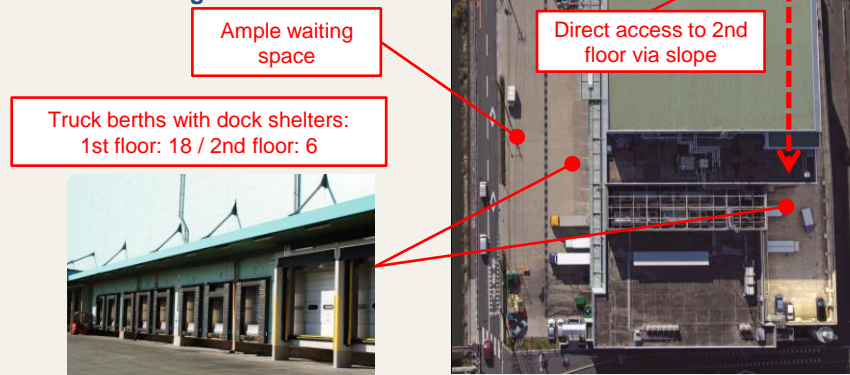
Building Interior

- ✓ Capable of storage at 4 separate temperature zones (frozen, chilled, climate-controlled, room temperature)
- ✓ Highly versatile warehouse specifications



Building Exterior

- ✓ Layout in consideration of surrounding area



Leasing Activity Regarding IIF Kawaguchi LC②

Aim to attract tenants without vacancy period by exploiting the facility's favorable specifications

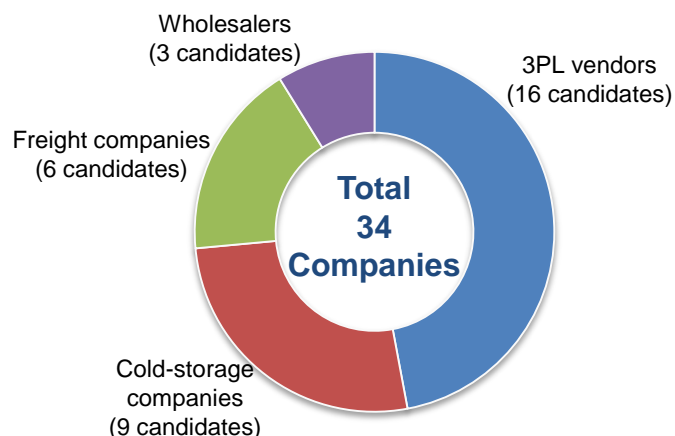
Leasing activities focused on logistics companies that can fully utilize the facility's features

Leasing Target

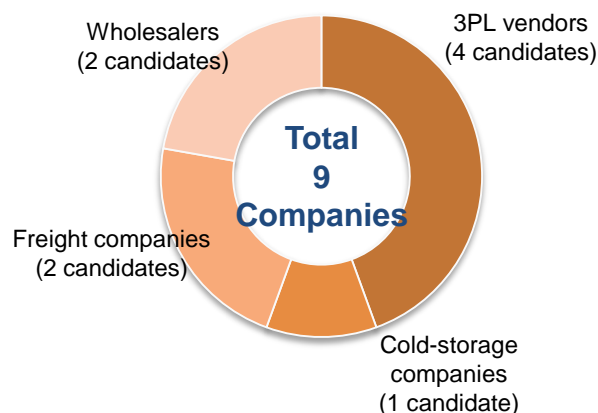
Focus leasing activities on logistics companies able to fully utilize a large, multi-temperature facility located near central Tokyo

June 2014 (14th) Fiscal Period						December 2014 (15th) Fiscal Period onward					
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current lease expires June 30, 2014						New tenant lease to start July 1, 2014					
Meiji Logitech Co., Ltd. (100% occupancy rate)						Leasing activity ongoing with a view to prevent any vacancy period					

Tenant Candidates Approached



Site Inspections



Currently negotiating terms

Aim to attract new tenants without vacancy period

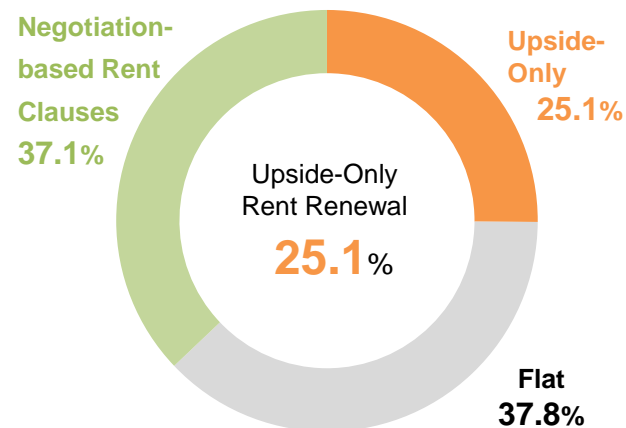
(Reference) Comments from tenant candidates who have inspected the facility

- ✓ Looking for a new distribution center covering the Tokyo metropolitan area (Candidate A)
- ✓ Seeking to lease a larger facility as current location (owned by candidate) has become too small (Candidate B)
- ✓ Seeking a temperature-controlled warehouse as chilled cargo is increasing (Candidate C)

Rent Revisions Going Forward

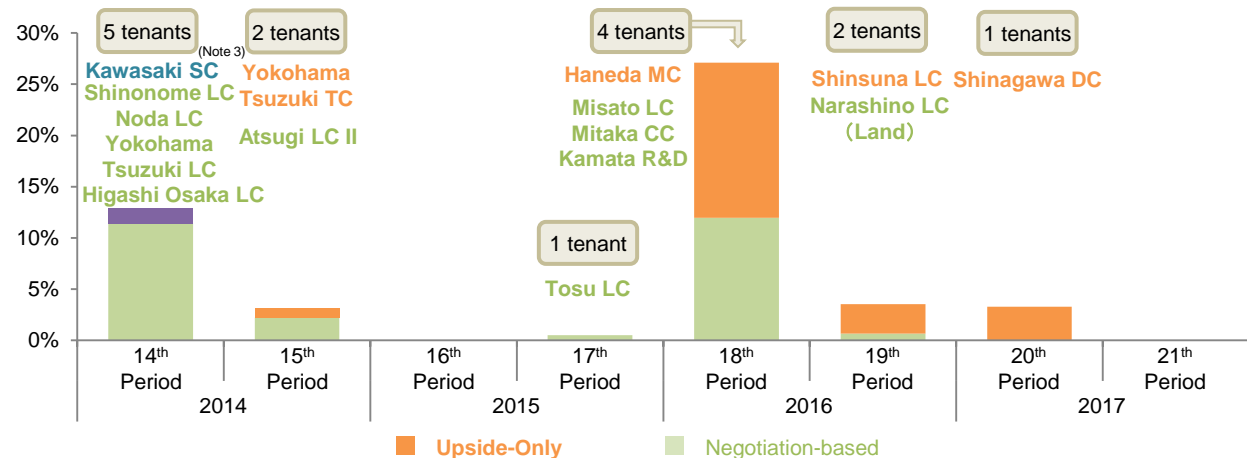
Pursuing upside potential while enjoying stable cash flows

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) (Note1)
Period ending Jun. 2014 (14 th Period)	2014/5 (as of the acquisition)	Kawasaki SC (to be developed)	Johnson & Johnson KK Medical Company	—% (Note2)	The rent will be determined by multiplying the construction fee regarding the building to be constructed in May 2014 by a predefined rate	— (Note2) Included in expectation
Period ending Dec. 2014 (15 th Period)	2014/10/1	Yokohama Tsuzuki TC	TÜV Rheinland Japan	1.0%	2% increase in every three years (until September 30, 2020)	JPY 1,739 thousand Included in expectation
Period ending Jun. 2016 (18 th Period)	2016/1/1	Haneda MC	Japan Airlines	15.2%	From 2016/1/1 to 2020/12/31 increase by circa 2% (Reference) After 2021/1/1 increase by circa 3%	JPY 38,934 thousand (+ JPY 117)
Period ending Dec. 2016 (19 th Period)	2016/7/15	Shinsuna LC	Sagawa Express	2.9%	3% increase in every three years	JPY 10,430 thousand (+ JPY 31)
Period ending Jun. 2017 (20 th Period)	2017/3/7	Shinagawa DC	XYMAX PROPERTIES Corporation	—% (Note2)	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) Impact on distribution based on assumption of outstanding unit of 165,532, and distribution per unit less than one rounded down

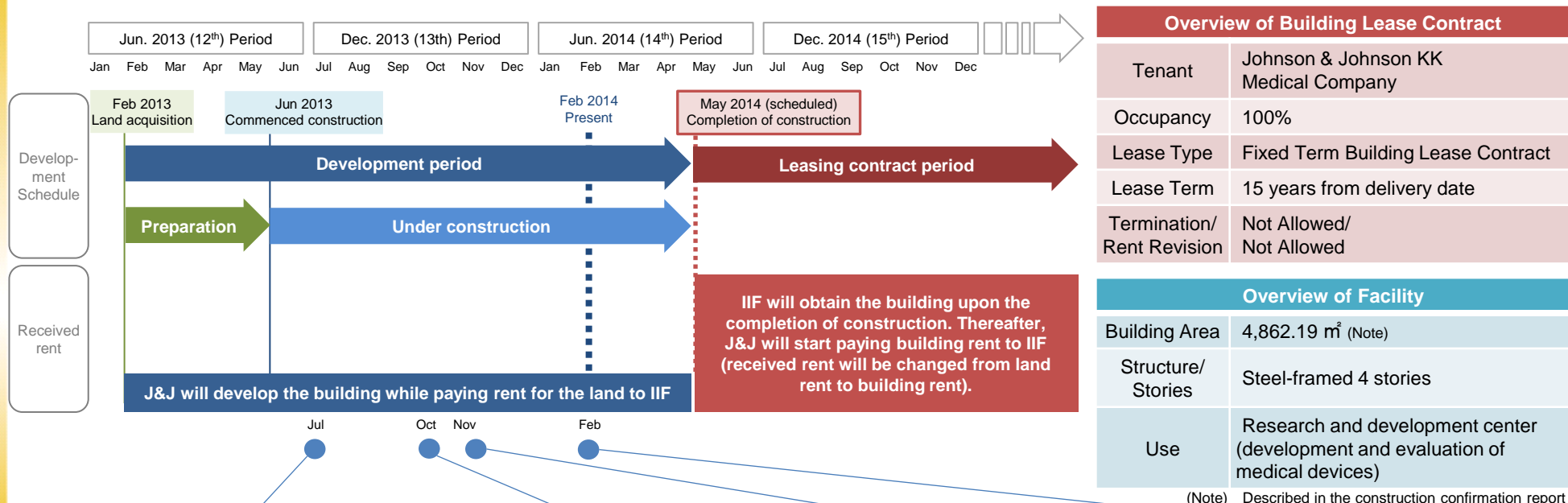
(Note 2) Not disclosed at the request of the tenant

(Note 3) It is not based on rent revision but indicates based on new Building Lease Agreement to be agreed after the building completion.

Development Plan of IIF Kawasaki Science Center

Construction in progress as scheduled towards handover on May 2014

Schedule of Construction



Piling work (as of Jul. 2013)



Foundation work (as of Oct. 2013)



Steel frame-work (as of Nov. 2013)



Latest situation (as of Feb. 2014)

4. Our Approach to Current and Upcoming Issues

② Financial Strategy

Measures to Further Improve Financial Stability

IIF has established a financial platform with long-term stability and mitigated interest rate risk

Measures undertaken in the 12th and 13th fiscal periods

All debt financing procured at loan periods exceeding 10 years on average

	Origination Date	Amount	Period	Fixed/Floating	Interest Rate	Use of Proceeds
Measure①	Oct 18, 2013	JPY7.5Bn	10 years	Fixed	1.40200%	Loan repayment
Measure②	Dec 30, 2013	JPY2.0Bn	10 years	Fixed	1.38025%	Loan prepayment
Measure③	Feb 6, 2014 Mar 13, 2014	JPY7.4Bn	10.1 years (average)	Fixed	1.5% (average)	Acquisition of properties (PO in Feb 2014)

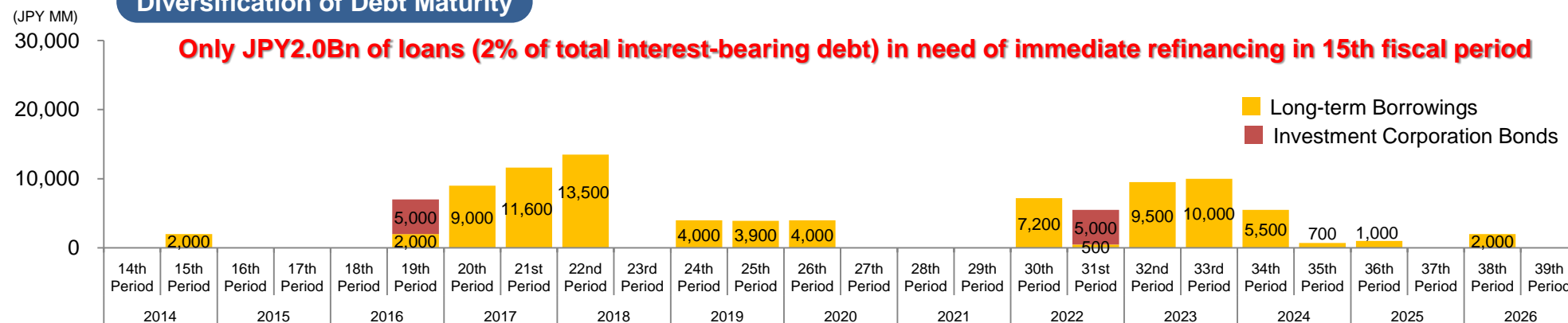
Key indices after measures undertaken

Average period remaining to maturity extended to 6.2 years at 1.4% weighted average interest rate to hedge risk of DPU decrease

Fixed debt ratio	100%	Average period remaining to maturity	6.2 years	Issuer credit rating	
Weighted average interest rate	1.40%	LTV	50.6%	AA (stable)	

Diversification of Debt Maturity


Only JPY2.0Bn of loans (2% of total interest-bearing debt) in need of immediate refinancing in 15th fiscal period



(Reference) New Borrowings in Connection with PO in Feb 2014

JPY3.8Bn of JPY7.4Bn of new procured at lower than expected debt cost due to decreased base rate

New Borrowings in Connection with Feb 2014 Offering



	Origination Date	Amount	Period	Expected Interest Rate (A)	Determined Interest Rate (B)	(B-A)
①	2014/2/6	JPY3.8Bn	9.2 years	1.4%	<u>1.1%</u>	(0.3)%
②	2014/3/13	JPY3.6Bn	11.1 years	1.7%	TBD	TBD
	Total / Weighted Average	JPY7.4Bn	10.1 years	1.5%	TBD	TBD

(Note) With respect to ①, total and average figures for five loans originated on Feb 6, 2014.
 With respect to ②, total and average figures for three loans to be originated on Mar 13, 2014.
 "Period" is the weighted average loan period using Mar 14, 2014 as the base date.
 "Expected Interest Rate," "Determined Interest Rate" and "(B-A)" are weighted averages.
 Figures are rounded up.

Impact on DPU

- ✓ Interest rate 0.3% lower than expected with respect to JPY3.8Bn of new borrowings for which interest rate is already determined
- ✓ Impact on DPU due to decrease in interest payable is as follows:

14th Fiscal Period	+JPY24/unit	15th Fiscal Period	+JPY31/unit
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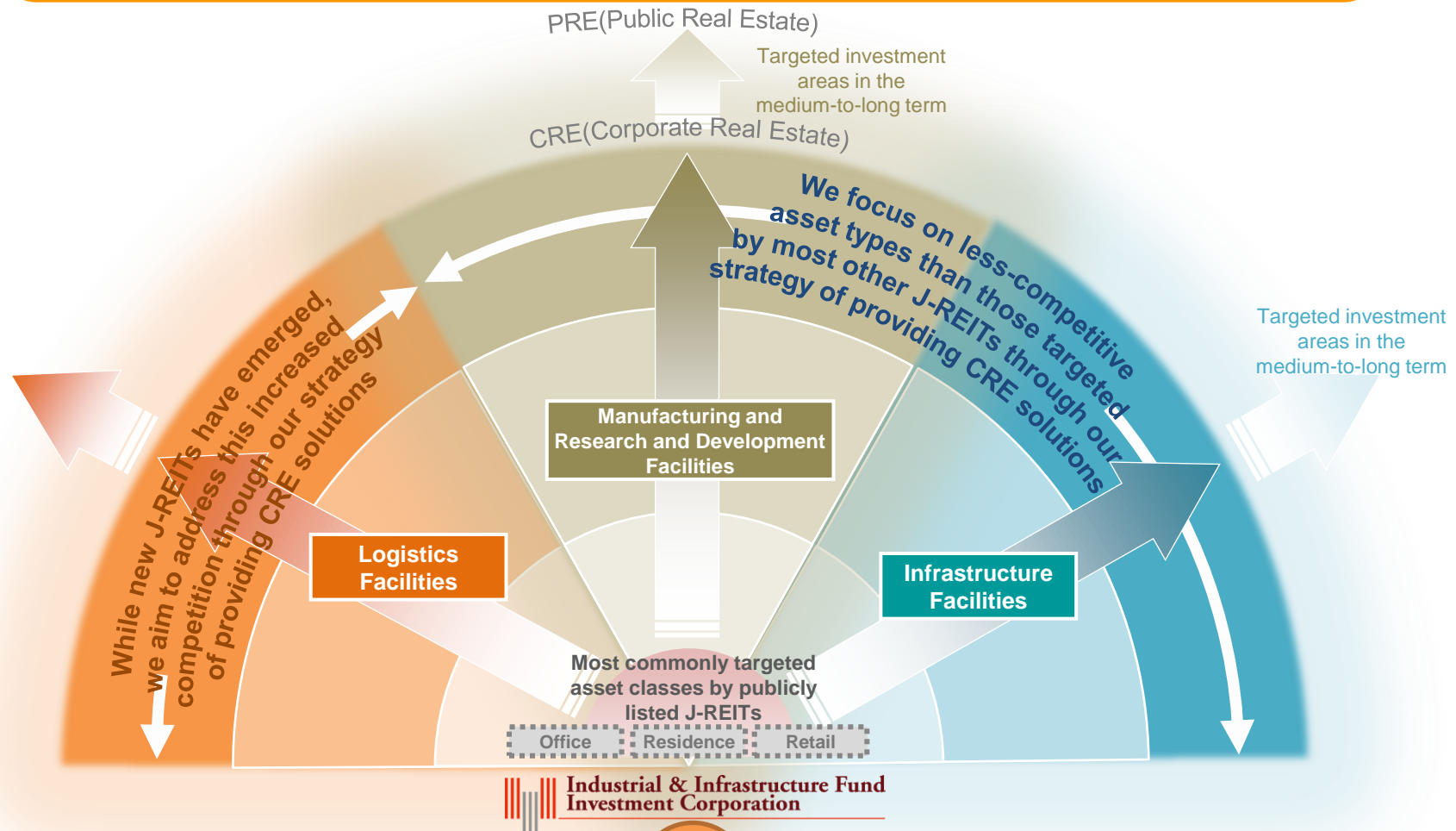
(Note) Impact on DPU is calculated assuming 165,532 units issued and outstanding (decimal places truncated).
 Such impact takes into account only the effect of the decrease in interest payable due to the lower interest rate for the new debt (JPY3.8Bn).
 Actual impact on DPU may be different due to other effects.

4. Our Approach to Current and Upcoming Issues

③ External Growth

Significant Growth Potential of the investment targets

we continue to pioneer the market by leveraging our unique acquisition methods



Status

- The only listed J-REIT with a broad focus on investing in both industrial and infrastructure properties
- Stable relationships with tenants from long-term leases
- Enhanced credibility as a J-REIT co-sponsored by Mitsubishi Corporation

Our Strengths

CRE Proposals

- Customized solutions to meet CRE and PRE needs
- First-mover advantage with an established track record, expertise and network
- Reputational and market momentum due to accumulated expertise that facilitates additional transactions

Progress in Acquisitions Based on CRE/PRE Solution Proposals

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



Pipeline and Acquisition Activities

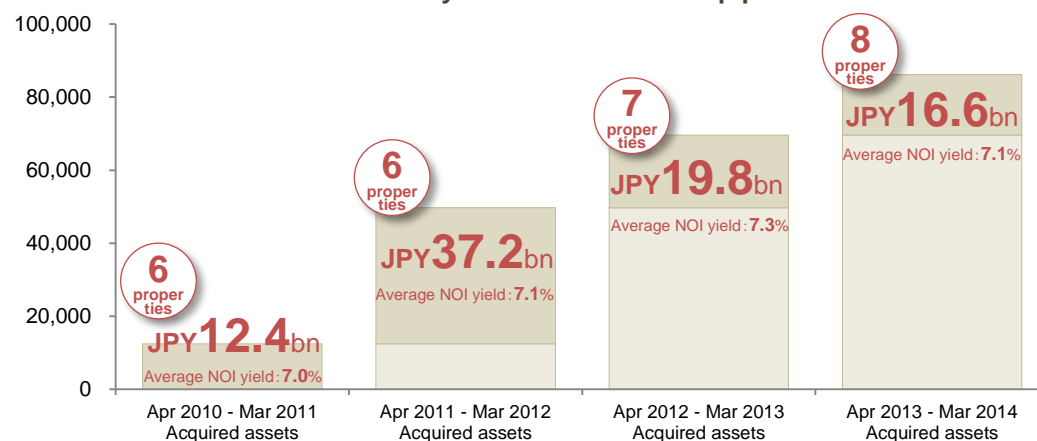
Aim for further growth through selective acquisition from rich pipeline

Number of Properties Reviewed for Acquisition

	2010 (as of Jun 30)	2011 (as of Jun 30)	2012 (as of Jun 30)	2013 (as of Jun 30)
Properties Considered	90 Properties	59 Properties	51 Properties	86 Properties
	JPY 270bn	JPY 245bn	JPY 240bn	JPY 320bn

Change of CRE Needs			New Investment in Core Business	→
		Enhancement of Capital Efficiency of Core Business		→
	Disposition of Non-core Assets			→
	P/L Control			→

Total Acquisition Amount (JPY MM)



Accurately capture needs of seller and carefully select from our rich pipeline

Number of Properties Reviewed for Acquisition in the current period

«As of 19th Feb, 2014»

Approx. 50 properties, JPY 300bn

Number of Properties Under Review in Detail
Approx. 10~20 properties

Respond to changing CRE needs and
“Continue acquisitions that contributes to growth in unitholder value”

- Solution proposal according to various needs (new investment in core business, capital efficiency, etc.)
- Pioneer new asset category (factory, research facility, infrastructure, etc.)

«Reference» Example of New Investment Needs

Kyo-tanabe Logistics Center (Property with Preferential Purchase Rights)



Appraisal Value
JPY 3.1bn
(Quasi-co-ownership interests of 51%)

**5. Operating Results for December 2013 (13th) Fiscal Period and
Earnings Forecast for June 2014 (14th) and December 2014 (15th) Fiscal Periods**

Operating Results for December 2013 (13th) Fiscal Period

DPU JPY16,043 by full contribution of 2013 PO and JPY13.5bn yen of unrealized gain

(JPY MM)									
		Jun.2013 (12th Period Actual)	Dec.2013(13th Period Actual)			Jun.2013 (Original Estimation)	Dec.2013(13th Period Actual)		
				Period-over-period				Difference with estimation	
P/L Main Information	Operation Revenue	5,791	6,037	+246	+4.2%	6,010	6,037	+26	+0.4%
	Operating Expense	2,556	2,728	+172	+6.8%	2,719	2,728	+9	+0.4%
	Operating Income	3,235	3,308	+73	+2.3%	3,291	3,308	+16	+0.5%
	Non-Operating Income	1	3	+1	+116.5%	-	3	+3	-
	Non-Operating Expense	788	801	+12	+1.6%	794	801	+7	+0.9%
	Ordinary Income	2,448	2,510	+62	+2.6%	2,497	2,510	+13	+0.5%
	Extraordinary Income	-	-	-	-	-	-	-	-
	Net Income	2,447	2,509	+62	+2.6%	2,496	2,509	+13	+0.5%
	Distributions per Unit (yen)	15,643	16,043	+400	+2.6%	15,958	16,043	+85	+0.5%
Others	Capital Expenditure	162	240 ^(Note 1)	+77	+48.1%	246	240	(6)	(2.6)%
	Repair Expense	77	54 ^(Note 2)	(23)	(29.7)%	54	54	0	(0.2)%
	Total	239	294	+54	+22.9%	301	294	(6)	(2.2)%
	Depreciation	842	863	+20	+2.5%	868	863	(5)	(0.6)%
	FFO	3,289	3,372	+83	+2.5%	3,364	3,372	+8	+0.2%
	AFFO	3,127	3,132	+5	+0.2%	3,118	3,132	+14	+0.5%
	Number of Properties	29	29	-	-	29	29	-	-
	Occupancy Rate	99.9%	99.9%	-	-	99.9%	99.9%	-	-
	Total Book Value	164,053	163,552	(500)	(0.3)%				
	Total Appraisal Value	175,289	177,119	+1,830	+1.0%				
	Unrealized Gain	11,235	13,566	+2,330	+20.7%				
	Total Debt	89,000	89,000	-	-				
	LTV	50.8%	50.8%	-	-				
	Total Net Asset	74,860	74,827	(32)	(0.0)%				
	Net Asset per Unit	478,552	478,341	(211)	(0.0)%				

(Note 1) Shinonome R&DC: 187 MM for renewal of air conditioners and lighting facilities
Shinagawa DC: 17MM for laying an OA floor

(Note 2) Shinonome R&DC: 21MM for removing air conditioners and lighting facilities
Mitaka CC: 5MM for replacement of carbon dioxide container valve, 4MM for repair of the top light at the roof

Major Changes (Period over Period)

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

Operating Revenue	+246
✓ Increase in rent revenue from properties acquired at 2013 PO (full contribution)	+220
✓ Increase in receiving utilities costs	+21
✓ Increase in rent revenue from Shinsuna LC	+4
Operating Expenses	+172
✓ Increase in property-related taxes (full contribution of properties acquired at 2012 PO)	+81
✓ Increase in rent expense (full contribution from properties acquired at 2013 PO)	+80
✓ Increase in utilities costs	+21
Non-operating Expenses	+12
✓ Increase in interest cost by full contribution of the new debt at 2013 PO	+16
✓ Decrease in interest cost by refinancing (17Bn yen loan)	(16)
✓ Increase in Depreciation of unit delivery expenses (full contribution from 2013 PO)	+5

Major Changes (Difference with Estimation)

Operating Revenue	+26
✓ Increase in receiving utilities costs	+24
Operating Expenses	+9
✓ Increase in utilities costs	+27
✓ Decrease in depreciation	(5)
✓ Decrease administrative agent fee	(12)
Non-operating Expenses	+7
✓ Increase occasional cost for repayment before maturity (2Bn yen)	(10)

Earnings Forecast for June 2014 (14th) and December 2014 (15th) Fiscal Periods

DPU expected to increase for 8 consecutive periods by 2014 PO for 4th consecutive year

		(JPY MM)						
		Dec.2013 (13th Period Actual)	Jun.2014 (14th Period Estimated)			Dec.2014 (15th Period Estimated)		
				Period-over-period			Compared to previous estimation	
P/L Main Information	Operation Revenue	6,037	6,620	+583	+9.7%	6,876	+255	+3.9%
	Operating Expense	2,728	3,043	+314	+11.5%	-	-	-
	Operating Income	3,308	3,577	+268	+8.1%	3,663	+85	+2.4%
	Non-Operating Income	3	-	(3)	(100.0)%	-	-	-
	Non-Operating Expense	801	897	+95	+11.9%	-	-	-
	Ordinary Income	2,510	2,680	+169	+6.8%	2,733	+53	+2.0%
	Extraordinary Income	-	-	-	-	-	-	-
	Net Income	2,509	2,679	+169	+6.8%	2,732	+53	+2.0%
	Distributions per Unit (yen)	16,043	16,184	+141	+0.9%	16,508	+324	+2.0%
Others	Capital Expenditure	240	289 (Note 1)	+49	+20.5%			
	Repair Expense	54	57 (Note 2)	+2	+4.7%			
	Total	294	346	+51	+17.6%			
	Depreciation	863	963	+99	+11.6%			
	FFO	3,372	3,642	+269	+8.0%			
	AFFO	3,132	3,352	+219	+7.0%			
	Number of Properties	29	36	+7	-			
	Occupancy Rate	99.9%	99.9%	-	-			

(Note 1) Shinonome R&DC: 178 MM for renewal of air conditioners, 8MM for replacement of a relaying device to protect power receiving and substation system
 Mitaka CC: 17MM for renewal of adjustable air valve for air conditioning system, 12MM for renewal work relating to disaster prevention equipment
 Saitama LC: 9MM for renewal of ELV
 (Note 2) Osaka Toyonaka DC: 9MM for maintenance of power generator
 Shinonome R&DC: 7 MM for renewal of air conditioners and lighting facilities
 Kobe DHC: 2MM for detailed inspection of electrical systems

■ Major changes (compared to 13th period)

(Period ending June 2014 vs. period ended December 2013) (JPY MM)

Operating Revenue	+583
✓ 5 months contribution from properties acquired at 2014 PO	+605
✓ Completion of Kawasaki SC building (1 month contribution)	+16
✓ Decrease in receiving utilities costs	(38)
Operating Expense	+314
✓ Increase in rent expense	
(5 month contribution from properties acquired at 2014 PO)	+194
✓ Increase in properties-related taxes	
(50% contribution of properties acquired at 2013 PO)	+71
✓ Increase in asset management fee	+39
✓ Decrease in payment of utilities costs	(41)
Non-Operating Expenses	+95
✓ Increase in interest cost by 5 month contribution of the new debt at 2014 PO	+46
✓ Increase in interest cost to proceed fixed debt strategy (JPY 17Bn)	+45
✓ Increase in Depreciation of unit delivery expenses (5 months contribution from 2014 PO)	+24

■ Major changes (compared to 14th period)

(Period ending December 2014 vs. period ending June 2014) (JPY MM)

Operating Revenue	+255
✓ 5 months contribution from properties acquired at 2014 PO	+187
✓ Completion of Kawasaki SC building (full contribution)	+46
✓ Increase in receiving utilities costs	+21
Operating Expense	+170
✓ Increase in rent expense	
(full contribution from properties acquired at 2014 PO)	+50
✓ Increase in properties-related taxes	
(full contribution of properties acquired at 2013 PO)	+71
✓ Increase in payment of utilities costs	+30
Non-Operating Expenses	+32
✓ Increase in interest cost by full contribution of the new debt at 2014 PO	+21
✓ Increase in Depreciation of unit delivery expenses (full contribution from 2014 PO)	+4
✓ Increase cost by difference of investment days (14 th period: 181days 15 th period: 184days)	+9

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.
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