

**Industrial & Infrastructure Fund  
Investment Corporation**

Investor Presentation for the June 2009 (4th) Period



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# 1. Management Report for the Period Ended June 2009 (4<sup>th</sup> Period) and Earnings Forecast for the Period Ending December 2009 (5<sup>th</sup> Period)

# Management Report for the Period Ended June 2009 (4<sup>th</sup> Period) (1/2)

## Performance for the Period Ended June 2009

Item	Period Ended June 2009 (actual)	Period Ended December 2008 (actual)	Period-over-Period
Operating Income	3,198 million yen	3,261 million yen	△62 million yen ( △1.9%)
Operating Profit	1,500 million yen	1,561 million yen	△60 million yen ( △3.9%)
Ordinary Profit	876 million yen	959 million yen	△83 million yen ( △8.7%)
Net Income	875 million yen	958 million yen	△83 million yen ( △8.7%)
Dividend per Investment Unit	11,078 yen	12,132 yen	△1,054 yen ( △8.7%)
FFO per Investment Unit (Note1)	19,569 yen	21,850 yen	△2,281 yen (△10.4%)
FFO Payout Ratio	56.6%	55.5%	-
LTV (Note2)	49.4%	60.0%	-
Long-term Debt Ratio (Note3)	38.7%	22.3%	-
Capital Expenditure	128 million yen (Note 4)	8 million yen	119 million yen
Repair Expense	7 million yen	5 million yen	2 million yen
Total	136 million yen	13 million yen	122 million yen
Depreciation	725 million yen	768 million yen	△42 million yen

Notes: 1) (Net income + Loss on sale of real estate – Gain on sale of real estate + Depreciation + Other amortization related to real estate)/number of outstanding investment units at the end of period

2) (Long-term borrowing + Short-term borrowing)/total assets

3) (Long-term borrowing + Subordinated investment corporation bond)/(Long-term borrowing + Subordinated investment corporation bond + Short-term borrowing)

4) Maintenance and repair for exterior walls of Kobe Center, approx. 80 million yen and waterproof finish for roof of Shinsuna LC, approx. 40 million yen

### Reasons for Major Changes for the Period Ended June 2009

#### Operating Profit

##### Sale of IIF Musashi Murayama Logistics Center

Profit/Loss from real estate lease business ▲119 million yen

Gain on sale of real estate +54 million yen

▲ 65 million yen

#### Non operating Expense

Increase in interest-bearing debt cost due to issuance of subordinated investment corporation bond ▲108 million yen

Decrease in other non operating expense (PO expense) 90 million yen

## Assets Under Management

Item	As of the End of June 2009	As of the End of December 2008
Number of Properties	9	10
Amounts of Total Assets	104,245 million yen	112,242 million yen
Total Book Value of Properties (1)	100,023 million yen	108,439 million yen
Total Appraisal Value at the End of Period (2)	96,370 million yen	111,420 million yen
Difference from Estimated Value at the End of Period (2 - 1)	△3,653 million yen	2,981 million yen

For nine properties excluding IIF Musashi Murayama LC, the assets balance is 102,670 million yen.  
\*For details, see page 20.

# Management Report for the Period Ended June 2009 (4<sup>th</sup> Period) (2/2)

## We reduced LTV and Improved the long-term debt ratio.

### ■ Issuance of Subordinated Investment Corporation Bond (five-year bond)

- ▶ Dilution of the net asset per unit is avoided.
- ▶ LTV that lenders acknowledge is reduced.
- ▶ Fund suppliers are diversified
- ▶ Summary

Name of Investment Corporation Bond	The 1st Unsecured Investment Corporation Bond (Subordinated and limited to qualified institutional investor)
Allocation to	Mitsubishi Corporation
Total Amount of Investment Corporation Bond	8 billion yen
Date of Issue	February 27, 2009
Maturity Period	February 27, 2014
Interest Rate	Six-month yen Libor + 250bps
Interest Payment Date	End of August and February every year
Security and Guarantee	Unsecured and non-guaranteed

(Note) The interest rate applied to the period from February 28, 2009 to August 31, 2009 is 3.296250%. Interest rate for the period commencing September 1, 2009 will be determined on August 27, 2009.

### ■ Sale of IIF Musashi Murayama Logistics Center

- ▶ We sold the property for a price that exceeded its book value
- ▶ LTV is reduced by repaying the debt ahead of schedule.
- ▶ Summary

Name of Property	IIF Musashi Murayama Logistics Center
Sales Price (A)	8,040 million yen
Book Value (B)	7,820 million yen (as of the date of transfer)
(A) - (B)	220 million yen
Date of Transfer	March 12, 2009
Buyer	SN Musashi LLC (SPC managed by Mitsui & Co., Realty Management Ltd.)

# Earnings Forecast for the Period Ending December 2009 (5<sup>th</sup> Period)

## Earnings Forecast for the Period Ending December 2009 (5<sup>th</sup> Period)

	Forecast for the Period Ending December 2009 (184 days)	Actual for the Period Ended June 2009 (181 days)	Period-Over-Period	
Operating Income	3,093 million yen	3,198 million yen	△105 million yen	(△3.3%)
Operating Profit	1,419 million yen	1,500 million yen	△81 million yen	(△5.5%)
Ordinary Profit	762 million yen	876 million yen	△114 million yen	(△13.1%)
Net Income	761 million yen	875 million yen	△114 million yen	(△13.1%)
Dividend per Unit	9,626 yen	11,078 yen	△1,452 yen	(△13.1%)
FFO per Unit <sup>(Note1)</sup>	18,263 yen	19,569 yen	△1,306 yen	(△6.7%)
FFO Payout Ratio	52.7%	56.6%	-	-
<hr/>				
LTV <sup>(Note2)</sup>	49.5%	49.4%	-	-
Long-term Debt Ratio <sup>(Note3)</sup>	56.3%	38.7%	-	-
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Capital Expenditure	40 million yen <sup>(Note 4)</sup>	128 million yen	△88 million yen	-
Repair Expense	9 million yen	7 million yen	1 million yen	-
Total	49 million yen	136 million yen	△87 million yen	-
<hr/>				
Depreciation	683 million yen	725 million yen	△42 million yen	-

- Notes: 1) (Net income + Loss on sale of real estate – Gain on sale of real estate + Depreciation + Other amortization related to real estate)/number of outstanding investment units at the end of period  
 2) (Long-term borrowing + Short-term borrowing)/total assets  
 3) (Long-term borrowing + Subordinated investment corporation bond)/(Long-term borrowing + Subordinated investment corporation bond + Short-term borrowing)  
 4) The following expenditure is expected: renewal of lighting equipment for Koshigaya LC, approx. 33 million yen, paint job for outside stairs of Shinsuna LC, approx. 2 million yen and replacement of wires and maintenance of brakes for gondola to clean windows for Kobe Center, approx. 1 million yen.

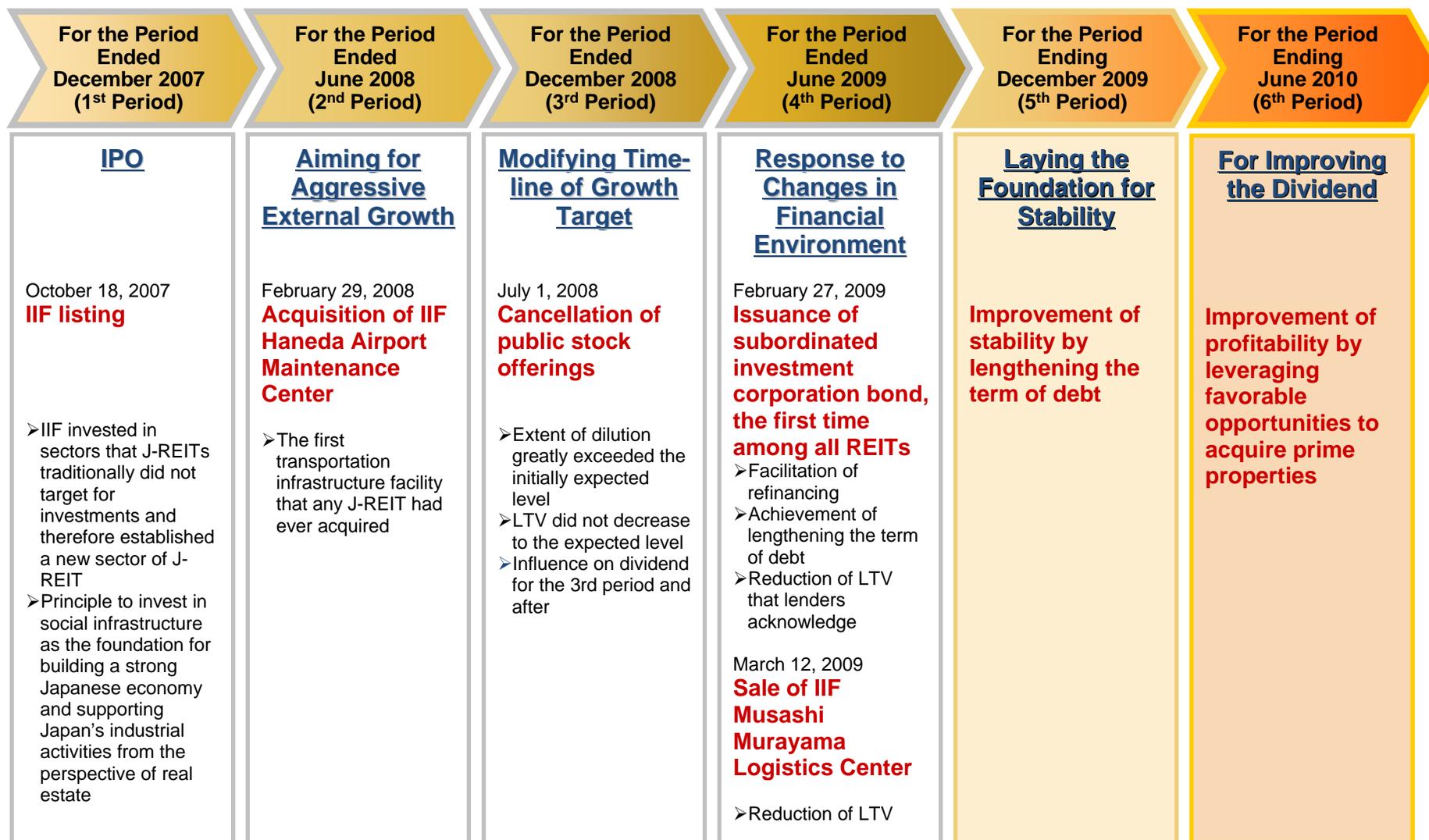
- Reason for Major Changes in Forecast for the Period Ending December 2009
  - Sale of IIF Musashi Murayama Logistics Center
    - Profit/Loss from real estate lease business ▲38 million yen
    - Gain on sale of real estate ▲54 million yen
  - Issuance of subordinated investment corporation bond
    - Interest of investment corporation bond ▲45 million yen
- Assumptions for Forecast for the Period Ending December 2009
  - Interest-bearing debt outstanding: 59.5 billion yen
  - Operating rate: 99.9%
  - Number of properties owned: 9 (existing)
  - Amount of total assets 104.1 billion yen

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## 2. Future Policies

# Footsteps of IIF

## Appropriate Response to Changes in Real Estate Market and Financial Environment



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## **2-A. Policies for the 5th Period**

### **— Laying the Foundation for Stability**

# Laying the Foundation for Stability

## Dividend policy for the future

### ▶ To set 9,000 yen as the lower limit of dividend

- To make use of the characteristics of the properties owned that produce stable lease income.
- To aim to stabilize finance such as lengthening the term of debt, while paying close attention to its influence on dividend.
- To work on the external growth strategy after establishing the financial basis for firmly maintaining the lower limit of dividend.

## Policies for the 5<sup>th</sup> Period

### Management Strategy

#### ▶ Maintenance of stability

Income for the 5th period is fixed

### Financial Strategy

#### ▶ Pursuit of stability

Stability is improved by lengthening the term of interest-bearing debt.

# Characteristics of Properties

## Stability of Income

- ▶ Properties owned by IIF mainly consist of long-term leasing agreements for 10 years and longer.
- ▶ Rent structure consists of Diamond Rent and Sapphire Rent.
- ▶ Risk of rent income decreasing due to vacancy is extremely low.
- ▶ Cash flow is less subject to influences of economic fluctuations.

## Rent Structure

### Diamond Rent:

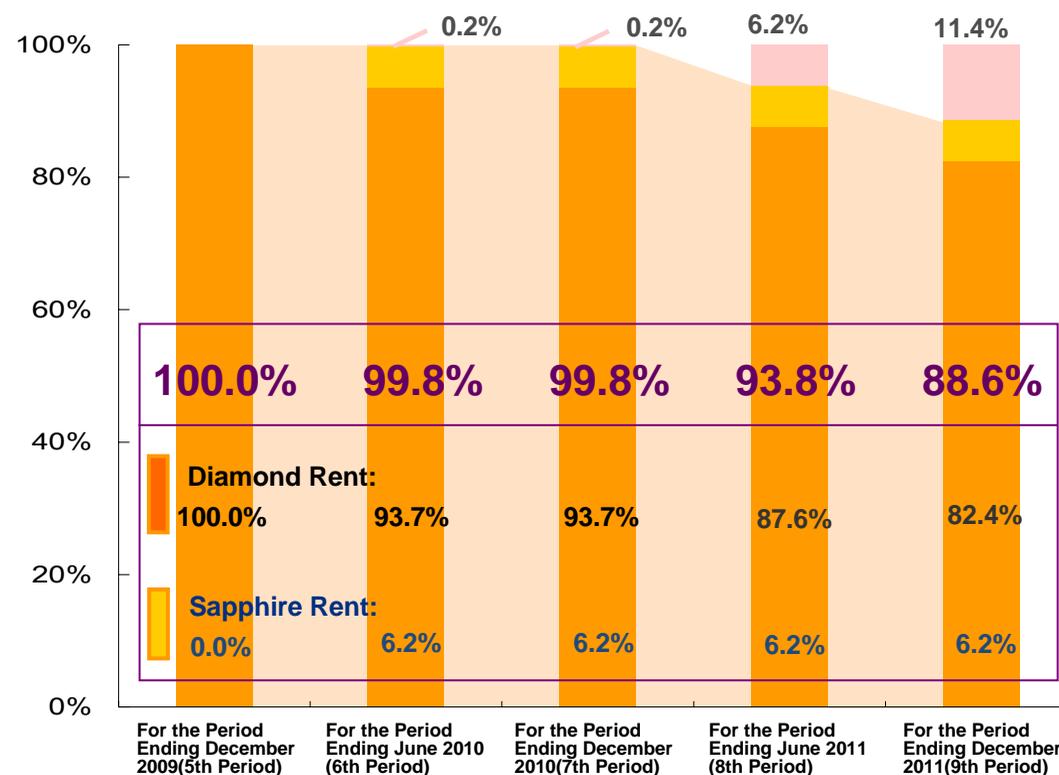
Rent that is noncancellable during the lease term or rent that requires payment of rent for the remaining lease term for cancellation

### Sapphire Rent:

Rent that requires payment of penalty worth 12-months' rent for cancellation

### General Rent:

Rent that is cancellable on six-months' notice, etc.



# Management Strategy

## Strengthening the Relationships with Tenants, Pursuing Upward Revision of Rent and Maintaining IIF's Property Values

### ▶ Forming relationship with customers

- Making proposals that cover logistics operations
- Establishing channels with distribution companies and shippers
- Improving the satisfaction of existing customers

### ▶ Pursuing upward rent revision when extending contracts or reviewing rent

- Handling contract extensions and rent reviews
- Maintaining and improving the operating rate

### ▶ Properly managing the properties owned

- Adjusting the construction price and specifications
- Maintaining property value
- Taking environmental measures

### Past Performance

▶ **IIF seized opportunities for rent revision and succeeded in increasing rent for all properties.**

	# of Revision	Increase	No Change	Decrease	Note
1 <sup>st</sup> Period	0	-	-	-	-
2 <sup>nd</sup> Period	0	-	-	-	-
3 <sup>rd</sup> Period	1	1	0	0	October 2008 Rent was revised upward for IIF Koshigaya LC.
4 <sup>th</sup> Period	1	1	0	0	May 2009 Rent was revised upward for IIF Noda LC.
Total	2	2	0	0	
Reference)					
5 <sup>th</sup> Period	0	-	-	-	-

### Outlook for the Period Ending December 2009 (5<sup>th</sup> Period)

▶ **Income for the 5th period**

Income for the 5th period is fixed by contract (all income from Diamond rent).

# Policies for Financial Stability

## Improving the Financial Stability by Lengthening the Term of Interest-bearing Debt

### ▶ Policies for the 4<sup>th</sup> Period

- ▶ Issuance of subordinated investment corporation bond
  - Reduction of LTV that lenders acknowledge
- ▶ Sale of IIF Musashi Murayama Logistics Center

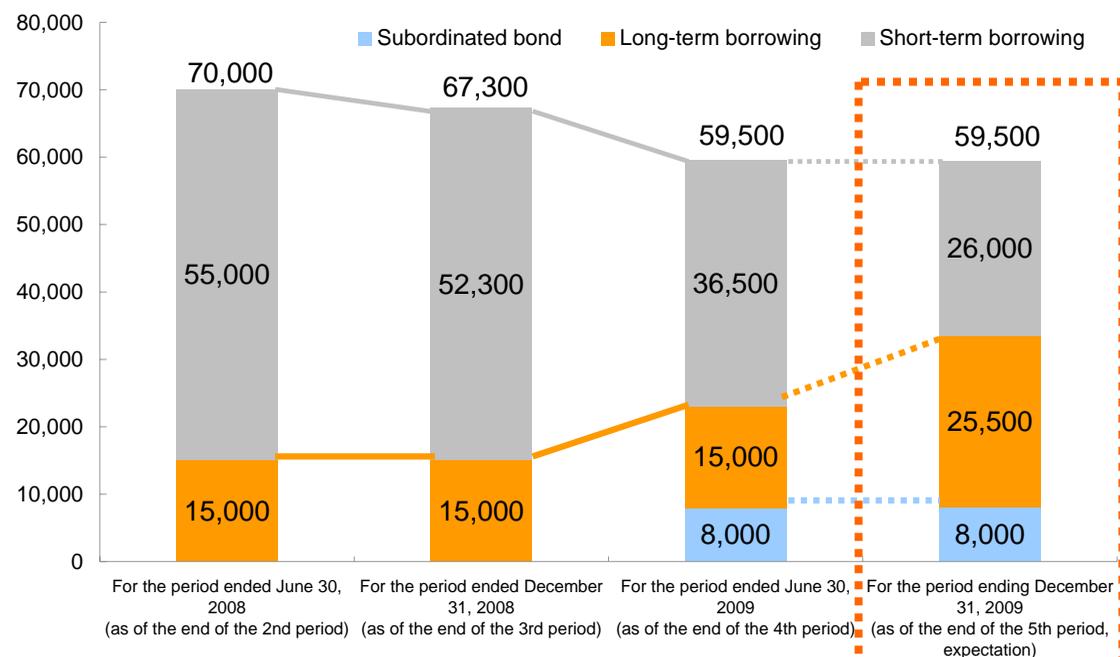
⇒ Achieving a Reduction of LTV and Improving the Long-term Debt Ratio

### ▶ Policies for the 5<sup>th</sup> Period

- ▶ To aim for lengthening the term and stabilization of refinancing during the period
  - ▶ Invitation of new partner banks
    - Diversification of financing method
- ⇒ Pursuit of Stability

## Interest-Bearing Debt

(million yen)



Notes: 1) In calculating the LTV for the period ended June 2009 and after, debt with regard to subordinated investment corporation bond is excluded from interest-bearing debt.  
 2) The repayment term for the long-term borrowing of 15,000 million yen is October 2010, and that for 8,000 million yen is February 2014.

- i) (Long-term borrowing + Short-term borrowing)/total assets
- ii) (Long-term borrowing + Subordinated investment corporation bond)/(Long-term borrowing + Subordinated investment corporation bond + Short-term borrowing)

i) LTV	60.9%	60.0%	49.4%	<b>49.5%</b>
ii) Long-term Debt Ratio	21.4%	22.3%	38.7%	<b>56.3%</b>

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## **2-B. Interim Policies for the 6th Period and Thereafter — Improving the Dividend**

# Market Environment and Opportunities

	Distribution Center	Plant/R&D Facility	Infrastructure Facility
Market Environment	<p>Fire sale of prime properties as means of raising funds is limited.</p> <ul style="list-style-type: none"> <li>Private fund avoids fire sale of individual properties.</li> </ul> <p>IIF continues to develop properties based on actual demand of tenants and needs to consolidate properties.</p> <ul style="list-style-type: none"> <li>New entry into development business can be observed.</li> <li>Development by distribution companies based on actual demand continues.</li> </ul> <p>Clarification of "Survival of the Fittest"</p> <ul style="list-style-type: none"> <li>Selection of locations (good location and high specs) by tenant companies is further promoted.</li> <li>"Survival of the Fittest" of the lease market is further intensified.</li> </ul> <p>Competitors with motivation for acquisition are strong.</p> <ul style="list-style-type: none"> <li>New entry from funds and business corporations</li> </ul>	<p>Interest of business corporations in CRE strategy is increasing.</p> <ul style="list-style-type: none"> <li>Needs for profit for FY2009 to recover from negative earnings of FY2008</li> <li>Needs for cash for new investment and business fund</li> </ul> <p>Needs for land properties with leasehold</p> <ul style="list-style-type: none"> <li>Needs of originators who focus on confidentiality of knowhow within buildings</li> <li>Contribution of land properties with leasehold to return after amortization</li> </ul> <p>Limited number of competitors</p> <ul style="list-style-type: none"> <li>Competitors which work on sale and lease back of plant/R&amp;D facility are limited.</li> <li>Actual competitors resort to other financing method such as capital increase, issuance of subordinated debt and borrowing, etc.</li> </ul>	<p>Increase in off-balance needs of infrastructure facilities that private companies own</p> <ul style="list-style-type: none"> <li>Financing needs by asset financing</li> </ul> <p>There is some influence of increasing public spending on infrastructure facilities that public sector owns.</p> <ul style="list-style-type: none"> <li>Some possible situation where increasing public spending may hinder sale of properties</li> <li>Cases of debt rescheduling in quasi public sector</li> <li>Establishment of Corporate Revitalization Support Platform replacing Regional Power Revitalization Platform</li> <li>Uncertainty due to possible regime change</li> </ul> <p>Some competitive infrastructure funds changed a part of their policies.</p> <ul style="list-style-type: none"> <li>Some are thinking about selling part of the properties they own.</li> </ul>
Opportunity	<p>Conditions for acquisition are improving such as increasing cap rate, etc.</p> <p>Decline in value of prime properties is limited.</p>	<p>Opportunity to acquire core properties of good-standing companies</p> <p>Great opportunity to enjoy antecessor's profit in the field of plant/R&amp;D facility</p>	<p>Opportunities for acquisition for private infrastructure facilities</p> <p>Off-balance needs of public sector have partially subsided.</p>

**IIF will focus on the field of plant/R&D facilities for now, since it offers the most opportunities.**

- Our target shall be off-balance properties of good-standing companies which are not under consideration in ordinary times.

Note: Observations in orange are positive factors in terms of IIF's property acquisition, while those in black are neutral and those in gray are negative factors.

# Growth Strategy (Interim Policies for the 6th Period and After)

## Choices of Growth Strategy

Favorable opportunities to acquire prime properties that highlight IIF's real estate solutions

### Improvement of earning capacity by replacing owned properties

- Investment environment that varies by asset category  
↓  
Possible arbitrage transaction that utilizes such difference in investment
- Replacement of properties from one asset category with many competitors to another asset category with no competitor and that allows acquisition with more favorable return

Example:

**[Sale]**  
Distribution Center

- Established market
- Buyer with continued motivation to buy
- Many inquiries for prime properties

Replacement

**[Acquisition]**  
Plant with leasehold

- Limited competitors
- Opportunity to acquire core properties of good-standing companies
- Great opportunity to enjoy antecessor's profit

### Improvement of earning capacity by capital increase

- Acquisition of properties with return higher than market financing cost
- Realization of antecessor's profit

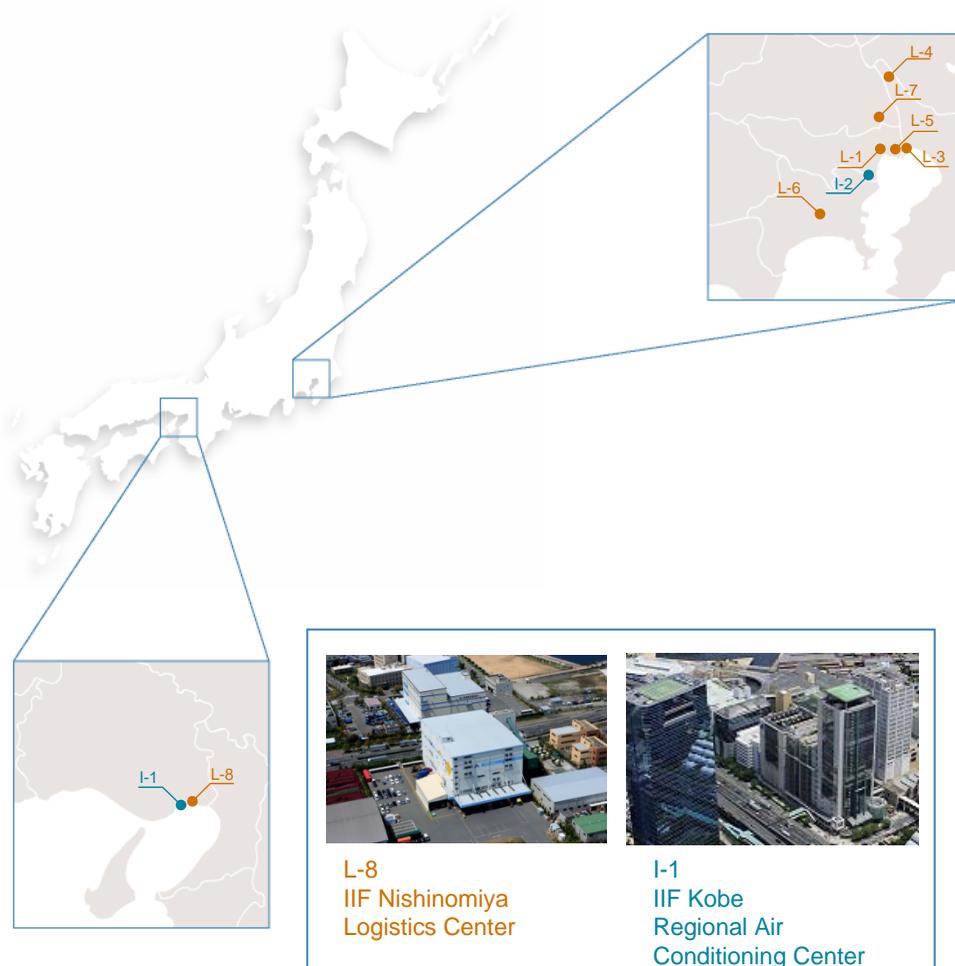
#### ◆Conditions for Capital Increase◆

- Acquisition of prime properties and improvement of financial market are the main premises.
- Sufficient consideration of LTV and dividend, etc.

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## 3. Overview of Portfolio

# Portfolio Map (including properties to be acquired)



L-1  
IIF Shinonome  
Logistics Center



L-3  
IIF Funabashi  
Logistics Center



L-4  
IIF Noda  
Logistics Center



L-5  
IIF Shinsuna  
Logistics Center



L-6  
IIF Atsugi  
Logistics Center



L-7  
IIF Koshigaya  
Logistics Center



L-8  
IIF Nishinomiya  
Logistics Center



I-1  
IIF Kobe  
Regional Air  
Conditioning Center



I-2  
IIF Haneda Airport  
Maintenance Center

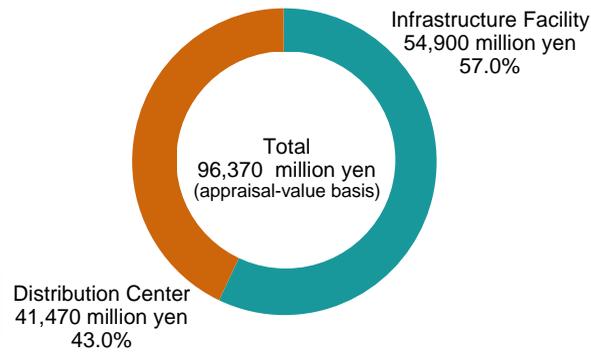


IIF Shinsuna Data  
Center(Notes)

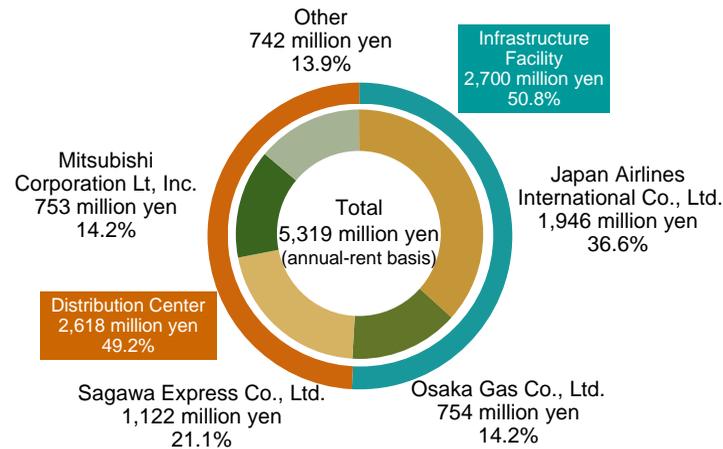
Note: IIF Shinsuna Data Center is expected to be acquired in the 7<sup>th</sup> period and after.

# Diversification of Portfolio (based on the properties owned as of the end of the 4<sup>th</sup> period)

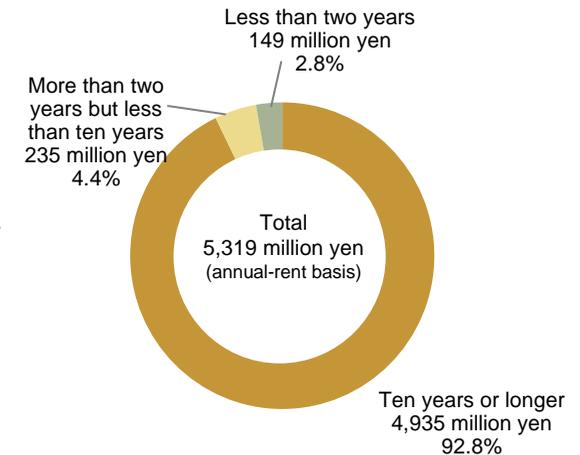
## By Asset Category



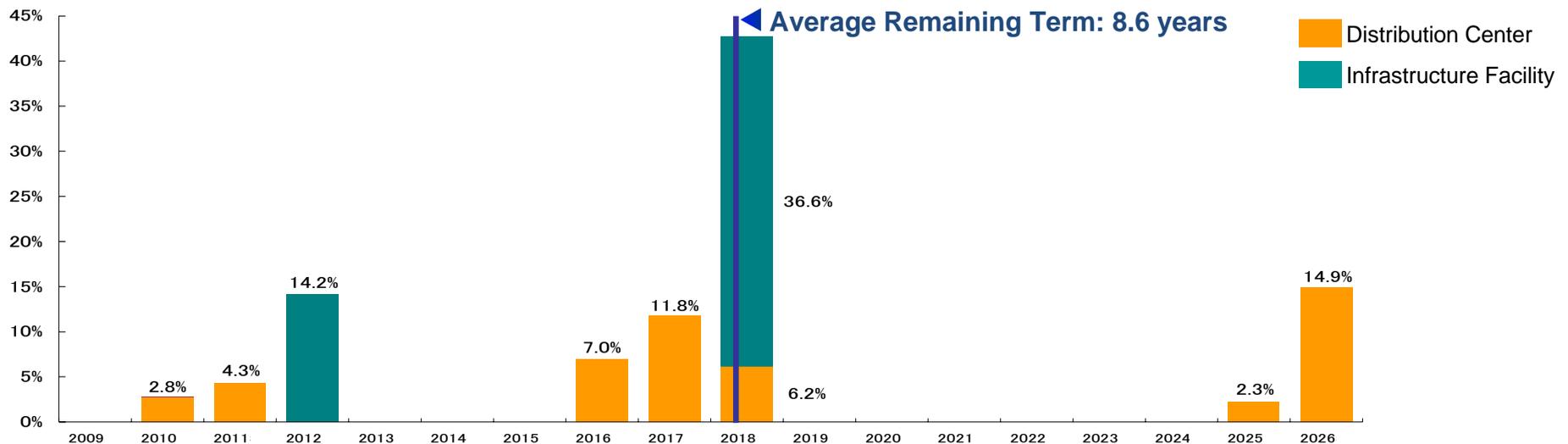
## Rent by Tenant (%)



## By Lease Period (Contract Term)



## Distribution of Contract Expiration Period for Rent Income<sup>(Note4)</sup>



- Notes: 1) Annual Rent is calculated by multiplying the monthly rent of the property indicated in each lease agreement being effective after IIF acquired the property by 12 and rounding the resultant amount to the nearest hundred (for a property for which multiple lease agreements are signed, the total monthly rent).  
 2) Figures for Contract Lease Term and Annual Rent used are those as of June 30, 2009.  
 3) Figures for Percentage are percentages of the sum of each tenant's annual rent and are rounded to the nearest tenths of a unit.  
 4) The base date is June 30, 2009. Also, the average remaining term of lease agreement is calculated on a rent-weighted average basis.

# Portfolio List (1/2)

Asset Category	Property Number (Note 1)	Name of Property	Location	Date Completed (Note 2)	Acquisition Price (million yen)		Cap Rate When Acquired (Note 3) (%)	Calculated Value at the End of Period (million yen) (Note 4)	Percentage (%)	Total Leasable Area (Note 5) (m <sup>2</sup> )	Operation Rate (Note 6) (%)	PML (Note 7) (%)
						Percentage (%)						
Distribution Center	L-1	IIF Shinonome Logistics Center (Note 8)	Koto-ku, Tokyo	February , 2006	13,700	13.8	5.3	14,000	14.5	27,493.29	100.0	4.6
	L-3	IIF Funabashi Logistics Center	Funabashi-shi, Chiba	July , 2007	9,000	9.1	6.3	9,680	10.0	42,336.00	100.0	5.2
	L-4	IIF Noda Logistics Center	Noda-shi, Chiba	March , 2006	6,500	6.6	6.0	6,570	6.8	38,828.10	100.0	0.3
	L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	June , 1998	5,300	5.3	5.5	5,550	5.8	5,741.75	100.0	6.4
	L-6	IIF Atsugi Logistics Center	Atsugi-shi, Kanagawa	January , 2005	2,100	2.1	6.2	2,140	2.2	10,959.68	100.0	8.7
	L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	September , 1985	2,000	2.0	6.7	2,100	2.2	10,113.50	100.0	2.6
	L-8	IIF Nishinomiya Logistics Center	Nishinomiya-shi, Hyogo	May , 1997	1,300	1.3	7.4	1,430	1.5	10,608.00	100.0	9.1
	<b>Subtotal</b>					<b>39,900</b>	<b>40.3</b>	<b>5.8</b>	<b>41,470</b>	<b>43.0</b>	<b>146,080.32</b>	<b>100.0</b>
Infrastructure Facility	I-1	IIF Kobe Regional Air Conditioning Center	Kobe-shi, Hyogo	April , 1990	18,100	18.3	3.8	16,600	17.2	11,189.36	97.5	4.2
	I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	June , 1993	41,110	41.5	4.7	38,300	39.7	81,995.81	100.0	4.5, 3.2
	<b>Subtotal</b>					<b>59,210</b>	<b>59.7</b>	<b>4.4</b>	<b>54,900</b>	<b>57.0</b>	<b>93,185.17</b>	<b>99.7</b>
<b>Portfolio Total</b>					<b>99,110</b>	<b>100.0</b>	<b>5.0</b>	<b>96,370</b>	<b>100.0</b>	<b>239,265.49</b>	<b>99.9</b>	<b>3.0</b>

- Notes: 1) A Property Number is assigned to each category of properties owned by IIF with these categories being L (Distribution Center) and I (Infrastructure Facility).  
2) The Date Completed is the year and month when each new property was recorded in the registry book.  
3) The Cap Rate When Acquired is calculated by dividing the net management income used in calculating the price at acquisition by direct reduction approach noted in the appraisal report by the acquisition price and rounding it to the nearest tenth of a unit.  
4) The Calculated Value at the End of Period is the calculated value as of June 30, 2009.  
5) The Total Leasable Area is the leasable area with regard to the building noted in each leasing agreement.  
6) "Operating rate (percentage of the total leased area to the total leasable area as of June 30, 2009)" is rounded to the nearest tenth of a unit.  
7) The PML is at the time of research in June 2009. The PML for IIF Haneda Airport Maintenance Center is the one for M1 and M2.  
8) For the IIF Shinonome Logistics Center, we multiplied the total leasable area indicated in the leasing agreement by 53% (the proportion of quasi-ownership of the trust beneficiary right). Its calculated value is the appraisal value for 53% of the trust beneficiary right, IIF's quasi-ownership. The total leasable area is rounded to the nearest hundredth of a unit.

# Portfolio List (2/2)

## Return by Continuous Appraisal (Based on properties owned as of the end of the 4<sup>th</sup> period)

Asset Category	Property Number (Note 2)	Name of Property	For the Period Ended June 2009 (4th Period)							(Reference) For the Period Ended December 2008 (3rd Period)				
			Book Value (million yen)	Calculated Value as of the End of Period (million yen)			Cap Rate by Direct Reduction Approach	Discount Rate by DCF Method	Final Cap Rate by DCF Method	Book Value (million yen)	Calculated Value as of the End of Period (million yen)	Cap Rate by Direct Reduction Approach	Discount Rate by DCF Method	Final Cap Rate by DCF Method
				Calculated Value	Period-Over-Period	Period-Over-Period (%)								
Distribution Center	L-1	IIF Shinonome Logistics Center <sup>(Note3)</sup>	13,680	14,000	Δ 1,300	Δ 8.5%	5.3%	4.9%	5.5%	13,727	15,300	4.9%	4.5%	5.1%
	L-3	IIF Funabashi Logistics Center	8,675	9,680	Δ 820	Δ 7.8%	5.7%	5.4%	6.1%	8,791	10,500	5.3%	4.9%	5.7%
	L-4	IIF Noda Logistics Center	6,365	6,570	Δ 600	Δ 8.4%	5.9%	5.7%	6.1%	6,424	7,170	5.4%	5.2%	5.6%
	L-5	IIF Shinsuna Logistics Center	5,356	5,550	Δ 270	Δ 4.6%	5.2%	5.0%	5.1%	5,329	5,820	5.0%	4.6%	5.0%
	L-6	IIF Atsugi Logistics Center	2,017	2,140	Δ 160	Δ 7.0%	6.1%	5.6%	6.4%	2,049	2,300	5.6%	5.1%	5.9%
	L-7	IIF Koshigaya Logistics Center	1,971	2,100	Δ 140	Δ 6.3%	6.1%	5.8%	6.2%	1,984	2,240	5.7%	5.4%	5.8%
	L-8	IIF Nishinomiya Logistics Center	1,286	1,430	Δ 110	Δ 7.1%	6.3%	6.0%	6.5%	1,296	1,540	5.8%	5.5%	6.0%
	<b>Subtotal</b>			<b>39,352</b>	<b>41,470</b>	<b>Δ 3,400</b>	<b>Δ 7.6%</b>	-	-	-	<b>39,603</b>	<b>44,870</b>	-	-
Infrastructure Facility	I-1	IIF Kobe Regional Air Conditioning Center	18,321	16,600	Δ 700	Δ 4.0%	4.5%	3.7%	4.5%	18,360	17,300	4.3%	3.7%	4.3%
	I-2	IIF Haneda Airport Maintenance Center	42,349	38,300	Δ 2,200	Δ 5.4%	4.7%	3.9%	5.2%	42,611	40,500	4.4%	3.7%	4.9%
	<b>Subtotal</b>			<b>60,671</b>	<b>54,900</b>	<b>Δ 2,900</b>	<b>Δ 5.0%</b>	-	-	-	<b>60,972</b>	<b>57,800</b>	-	-
<b>Portfolio Total</b>			<b>100,023</b>	<b>96,370</b>	<b>Δ 6,300</b>	<b>Δ 6.1%</b>	-	-	-	<b>100,575</b>	<b>102,670</b>	-	-	-

- Notes: 1) The calculated value as of the end of period, cap rate by direct reduction approach, discount rate by DCF method and final cap rate by DCF method are based on the appraisals by real-estate appraisers (Japan Real Estate Institute and CB Richard Ellis).  
 2) A Property Number is assigned to each category of properties owned by IIF with categories being L (Distribution Center) and I (Infrastructure Facility).  
 3) The calculated value as of the end of period for IIF Shinonome Logistics Center is the appraisal value for 53% of the trust beneficiary right, IIF's quasi-ownership.

## Reference: Property Planned to be Acquired in the Period Ending December 2010 (7<sup>th</sup> Period) and after

Asset Category	Property Number	Name of Property (To be acquired)	For the Period Ended June 2009 (4th Period)							(Reference) For the Period Ended December 2008 (3rd Period)			
			Estimated Acquisition Price (million yen)	Calculated Value as of the End of Period (million yen)			Cap Rate by Direct Reduction Approach	Discount Rate by DCF Method	Final Cap Rate by DCF Method	Calculated Value as of the End of Period (million yen)	Cap Rate by Direct Reduction Approach	Discount Rate by DCF Method	Final Cap Rate by DCF Method
				Calculated Value	Period-Over-Period	Period-Over-Period (%)							
Infrastructure Facility	-	IIF Shinsuna Data Center	15,100	15,700	Δ 300	Δ 1.9%	5.7%	5.1%	6.1%	16,000	5.6%	5.0%	6.0%

Note: We are currently having discussions with the seller (SPC in which Mitsubishi Corporation invested as an anonymous association) about the timing at which to acquire the IIF Shinsuna Data Center.

# 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)  
Number 403, Member of The Investment Trusts Association, Japan)