

Reference Material for Financial Results for the Period Ended December 2010 (7th Period)

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Balance Sheet as of December 31, 2010

(thousand yen)				
	Previous Period (As of June 2010)	Current Period (As of December 2010)	Change Amount	Y/Y (%)
Assets				
Current Assets				
Cash and cash equivalents	7,004,678	5,435,254	△1,569,423	
Cash and deposit in trust	1,030,003	1,231,979	201,975	
Accrued revenue	139,813	2,976	△136,837	
Prepaid expense	196,739	259,459	62,719	
Deferred tax assets	19	19	△0	
Accrued refunded income taxes	—	105,047	105,047	
Others	91	399	308	
Total Current Assets	8,371,347	7,035,136	△1,336,210	△16.0
Fixed Assets				
Tangible fixed assets				
Buildings (net amount)	21,992,091	22,100,997	108,905	
Land	1,215,241	2,018,489	803,248	
Buildings in trust (net amount)	19,475,445	19,274,849	△200,596	
Structures in trust (net amount)	202,558	192,185	△10,373	
Tools, equipment and fixtures in trust (net amount)	361	1,750	1,389	
Land in trust	33,282,269	33,282,269	—	
Total Tangible Fixed Assets	76,167,969	76,870,541	702,572	0.9
Intangible Fixed Assets				
Leasehold land	19,833,966	19,833,966	—	
Total Intangible Fixed Assets	19,833,966	19,833,966	—	0.0
Investments and Other Assets				
Deposit and guarantee money	10,000	10,000	—	
Long-term prepaid expense	211,744	293,967	82,222	
Total Investments and Other Assets	221,744	303,967	82,222	37.1
Total Fixed Assets	96,223,680	97,008,475	784,794	0.8
Deferred Assets				
Investment unit delivery expense	17,138	—	△17,138	
Investment corporation bond issue expense	20,087	17,348	△2,739	
Total Deferred Assets	37,225	17,348	△19,877	△53.4
Total Assets	104,632,253	104,060,960	△571,293	△0.5

(thousand yen)				
	Previous Period (As of June 2010)	Current Period (As of December 2010)	Change Amount	Y/Y (%)
Liabilities				
Current Liabilities				
Accounts payable-trade	132,329	170,563	38,233	
Short-term borrowing	14,000,000	12,000,000	△2,000,000	
Current portion of long-term borrowing	15,000,000	—	△15,000,000	
Accrued liabilities	192,548	220,171	27,622	
Accrued expenses	81,417	81,375	△41	
Income taxes payable	821	665	△156	
Consumption taxes payable	284,730	—	△284,730	
Advance received	456,853	485,671	28,817	
Others	7,519	50,296	42,777	
Total Current Liabilities	30,156,220	13,008,743	△17,147,477	△56.9
Long-term Liabilities				
Investment corporation bond	8,000,000	8,000,000	—	
Long-term borrowing	22,500,000	39,500,000	17,000,000	
Deposit and guarantee money received	1,015,609	1,107,609	92,000	
Deposit and guarantee money received in trust	5,033,380	5,010,435	△22,944	
Others	114,525	106,374	△8,150	
Total Long-term Liabilities	36,663,516	53,724,420	17,060,904	46.5
Total Liabilities	66,819,736	66,733,163	△86,572	△0.1
Net Assets				
Unitholders' Equity				
Total contribution	36,529,370	36,529,370	—	0.0
Retained Earnings				
Unappropriated profit for the period or Unabsorbed Loss (Δ) for the Year	1,283,146	798,426	△484,720	
Total Retained Earnings	1,283,146	798,426	△484,720	△37.8
Total Unitholders' Equity	37,812,516	37,327,796	△484,720	△1.3
Total Net Assets	37,812,516	37,327,796	△484,720	△1.3
Total Liabilities and Net Assets	104,632,253	104,060,960	△571,293	△0.5

Income Statement for the Period Ended December 2010

	Previous Period (As of June 2010)	Current Period (As of December 2010)	(thousand yen) Change	
			Amount	Y/Y (%)
Operating Income				
Income from lease business	2,980,654	2,962,317	△18,336	
Gain on sale of real estate	459,734	—	△459,734	
Total Operating Income	3,440,389	2,962,317	△478,071	△13.9
Operating Expense				
Expense of lease business	1,181,069	1,166,896	△14,172	
Asset management fee	310,869	315,612	4,742	
Director's fee	5,820	5,820	—	
Asset custody fee	5,217	5,227	10	
Commission for general administrative work	21,054	21,394	340	
Other operating expense	52,379	82,689	30,310	
Total Operating Expense	1,576,409	1,597,640	21,230	1.3
Operating Profit	1,863,979	1,364,677	△499,301	△26.8
Non-Operating Income				
Interest income	927	1,656	729	
Interest on refund	972	—	△972	
Total Non-Operating Income	1,899	1,656	△242	△12.8
Non-Operating Expense				
Interest expense	280,959	282,891	1,932	
Interest on investment corporation bond	120,689	120,326	△362	
Amortization of investment corporation bond issue expense	2,739	2,739	—	
Loan-related expense	141,700	140,302	△1,397	
Amortization of investment unit delivery expense	34,276	17,138	△17,138	
Others	1,363	3,525	2,162	
Total Non-Operating Expense	581,727	566,923	△14,803	△2.5
Ordinary Profit	1,284,151	799,410	△484,741	△37.7
Net income before income taxes	1,284,151	799,410	△484,741	△37.7
Income, inhabitant and enterprise taxes	1,006	996	△10	
Income taxes - deferred	△2	0	2	
Total Income Taxes	1,004	997	△7	△0.7
Net Income	1,283,146	798,412	△484,733	△37.8
Unappropriated retained earnings brought forward	0	13	13	
Unappropriated profit for the period or Unabsorbed Loss (△) for the Year	1,283,146	798,426	△484,720	

Notes: 1) The current period (Period ended June 2010) is from January 1, 2010 to June 30, 2010 (period of management: 181days).

Notes: 2) The current period (Period ended December 2010) is from July 1, 2010 to December 31, 2010 (period of management: 184days).

Statement of Cash Flow and Statement of Dividend for the Period Ended December 2010

	(thousand yen)		
	Previous Period (As of June 2010)	Current Period (As of December 2010)	Change
Cash flow from operating activities			
Net income before income taxes	1,284,151	799,410	△484,741
Depreciation	623,815	567,045	△56,769
Amortization of investment corporation bond issue expense	2,739	2,739	—
Amortization of investment unit delivery expense	34,276	17,138	△17,138
Interest income	△927	△1,656	△729
Interest expense	401,648	403,218	1,569
Decrease in trade accounts receivable (△ indicates an increase)	△130,951	136,837	267,788
Decrease in accrued consumption taxes (△ indicates an increase)	82,414	△100,304	△182,718
Decrease in prepaid expense (△ indicates an increase)	△1,808	△62,719	△60,911
Decrease in long-term prepaid expense (△ indicates an increase)	△48,931	△82,222	△33,291
Increase in trade accounts payable (△ indicates a decrease)	130,124	△61,366	△191,491
Increase in other accounts payable (△ indicates a decrease)	3,949	13,555	9,605
Increase in accrued expenses (△ indicates a decrease)	△72	60	132
Increase in consumption taxes payable (△ indicates a decrease)	284,730	△284,730	△569,461
Increase in advance received (△ indicates a decrease)	△76,260	28,817	105,077
Increase in other long-term liabilities (△ indicates a decrease)	△8,128	△8,150	△21
Decrease by sale of tangible fixed asset in trust	8,500,995	—	△8,500,995
Others	181	41,595	41,413
Subtotal	11,081,946	1,409,266	△9,672,680
Interest received	927	1,656	729
Interest paid	△406,482	△403,320	3,162
Income taxes paid	△950	△1,152	△201
Cash flow from operating activities	10,675,439	1,006,449	△9,668,990

	(yen)		
	Previous Period (As of June 2010)	Current Period (As of December 2010)	Change
Unappropriated profit for the period	1,283,146,944	798,426,613	△484,720,331
Dividend paid	1,283,133,225	798,411,570	△484,721,655
Dividend paid per investment unit	16,235	10,102	△6,133
Retained earnings carried forward	13,719	15,043	1,324

	(thousand yen)		
	Previous Period (As of June 2010)	Current Period (As of December 2010)	Change
Cash flow from investing activities			
Payments for purchase of tangible fixed assets	△1,215,241	△1,160,693	54,548
Payments for purchase of tangible fixed assets in trust	△4,563,719	—	4,563,719
Proceeds from receiving deposit and guarantee money	42,240	92,000	49,760
Proceeds from receiving deposit and guarantee money in trust	276,150	—	△276,150
Payments for return of deposit and guarantee money paid in trust	△351,990	△22,944	329,045
Cash flow from investing activities	△5,812,561	△1,091,638	4,720,923
Cash flow from financing activities			
Proceeds from short-term borrowing	14,000,000	—	△14,000,000
Payments for repayment of short-term borrowing	△24,000,000	△2,000,000	22,000,000
Proceeds from long-term borrowing	10,000,000	17,000,000	7,000,000
Payments for repayment of long-term borrowing	—	△15,000,000	△15,000,000
Payments of dividends	△816,210	△1,282,259	△466,049
Cash flow from financing activities	△816,210	△1,282,259	△466,049
Change in cash and cash equivalents (△ indicates a decrease)	4,046,668	△1,367,448	△5,414,116
Cash and cash equivalents, beginning of period	3,988,013	8,034,682	4,046,668
Cash and cash equivalents, end of period	8,034,682	6,667,234	△1,367,448

Notes: 1) The previous period (Period ended June 2010) is from January 1, 2010 to June 30, 2010 (period of management: 181 days).

Notes: 2) The current period (Period ended December 2010) is from July 1, 2010 to December 31, 2010 (period of management: 184 days).

Income of Each Property

(million yen)

Account		L1 (Shinonome)		L3 (Funabashi) (Note 3)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)	
		Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period
Rent		397	397	134	-	225	225	163	168	74	74	74	74
Others		2	-	10	-	15	18	-	-	0	0	0	40
Total Income		399	397	145	-	240	243	163	168	74	74	74	114
Administrative expense		0	1	2	-	6	6	0	0	0	0	0	1
Water supply and utilities expense		-	-	9	-	9	11	-	-	-	-	-	0
Taxes and Public Dues		30	31	25	-	23	22	16	16	6	6	4	4
Repair Expense		2	0	-	-	0	-	-	0	0	-	0	65
Others		1	1	0	-	1	1	1	1	1	1	1	1
Total Expense		35	33	37	-	40	42	18	18	8	8	6	73
NOI		364	363	108	-	199	200	144	149	66	66	67	40
Depreciation		46	46	58	-	58	58	13	13	31	31	17	18
Income from real estate lease business		317	316	50	-	141	141	131	136	34	34	49	22
Deposit		1,457	1,457	-	-	225	225	84	84	74	74	22	-
Guarantee money		-	-	-	-	-	-	308	308	-	-	-	-
Deposits received at the end of period		1,457	1,457	-	-	225	225	393	393	74	74	22	-

(million yen)

Account		L8 (Nishinomiya)		L9 (Narashino)		F1 (Totsuka)		F2 (Yokohama Tsuzuki)		I-1 (Kobe)		I-2 (Haneda)		Results as of the end of previous period	Results as of the end of current period
		Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period		
Rent		59	59	30	41	69	138	-	3	377	377	1,342	1,342	2,950	2,902
Others		-	-	-	-	0	0	-	-	1	1	0	0	30	59
Total Income		59	59	30	41	69	138	-	3	378	378	1,342	1,342	2,980	2,962
Administrative expense		0	0	0	0	0	0	-	0	0	0	1	1	15	14
Water supply and utilities expense		-	-	-	-	-	-	-	-	2	3	-	-	20	15
Taxes and Public Dues		8	8	0	-	-	-	-	-	13	13	108	107	236	211
Repair Expense		0	-	-	-	-	-	-	-	3	11	-	-	7	77
Others		1	1	0	0	0	0	-	0	1	4	266	266	277	279
Total Expense		11	11	0	0	0	0	-	0	21	33	376	375	557	599
NOI		48	48	30	41	68	137	-	2	356	344	966	966	2,423	2,362
Depreciation		11	11	-	-	-	-	-	0	124	124	261	261	623	567
Income from real estate lease business		37	37	30	41	68	137	-	2	232	220	704	704	1,799	1,795
Deposit		89	89	41	41	276	276	-	92	2,493	2,493	973	973	5,739	5,808
Guarantee money		-	-	-	-	-	-	-	-	-	-	-	-	308	308
Deposits received at the end of period		89	89	41	41	276	276	-	92	2,493	2,493	973	973	6,048	6,117

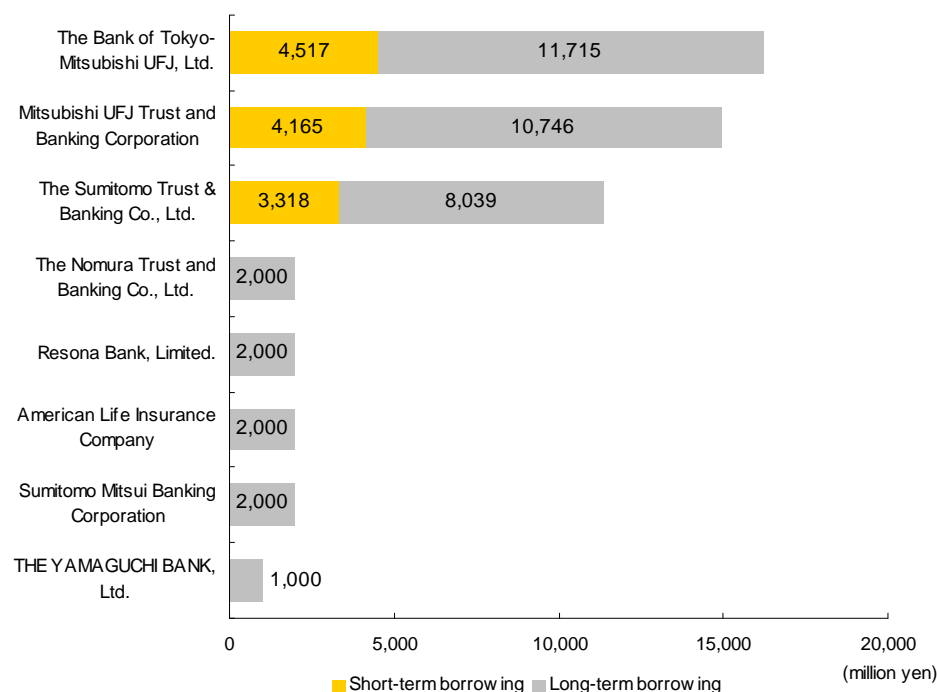
Notes: 1) The current period (Period ended June 2010) is from January 1, 2010 to June 30, 2010 (period of management: 181days).

Notes: 2) The current period (Period ended December 2010) is from July 1, 2010 to December 31, 2010 (period of management: 184days).

Notes: 3) The sale contract for this property was signed on March 9, 2010, and the sale was completed on March 19, 2010.

Details of Borrowing

Status of Lending Financial Institutions



	Classification	Date of Borrowing	Outstanding Balance at the End of Period (million yen)	Average Interest Rate (Note) (%)	Date for Repayment
	Lender				
Short-term borrowing	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 26, 2010	4,517	0.8	February 28, 2011
	Mitsubishi UFJ Trust and Banking Corporation		4,165		
	The Sumitomo Trust and Banking Co., Ltd.		3,318		
	Subtotal			12,000	
Long-term borrowing	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 20, 2009	4,050	1.7	October 19, 2012
	Mitsubishi UFJ Trust and Banking Corporation		3,675		
	The Sumitomo Trust and Banking Co., Ltd.		2,775		
	American Life Insurance Company	December 25, 2009	2,000	1.7	December 25, 2014
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 26, 2010	3,765	1.2	February 28, 2013
	Mitsubishi UFJ Trust and Banking Corporation		3,471		
	The Sumitomo Trust and Banking Co., Ltd.		2,764		
	The Sumitomo Trust and Banking Co., Ltd.	September 30, 2010	2,500	1.0	September 30, 2013
	Nomura Trust and Banking Co., Ltd.		2,000		
	Resona Bank, Limited.		2,000		
	THE YAMAGUCHI BANK, Ltd.		1,000		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 19, 2010	3,900	0.9	October 18, 2013
	Mitsubishi UFJ Trust and Banking Corporation		3,600		
	Sumitomo Mitsui Banking Corporation	December 30, 2010	2,000	1.0	December 30, 2014
Subtotal			39,500		
Total			51,500		

Note: The average interest rate is the weighted interim average interest rate rounded to the nearest tenth of a unit.

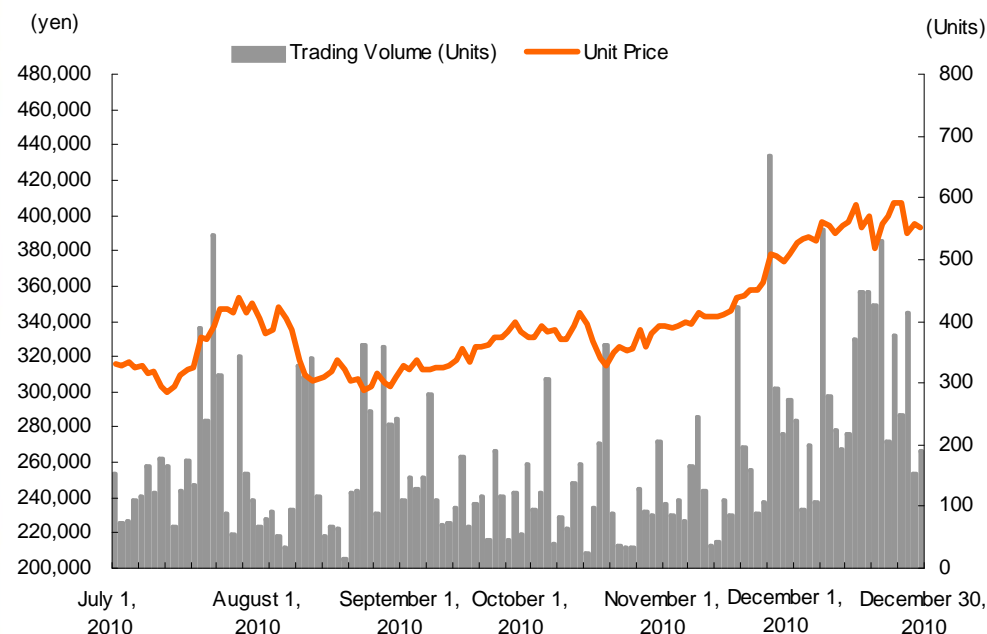
Status of Investment Corporation Bond

Description	Date of Issue	Allocation to	Outstanding Balance at the End of Period (million yen)	Interest Rate (Note)	Maturity Period
The 1st Unsecured Investment Corporation Bond (Subordinated and limited to qualified institutional investor)	February 27, 2009	Mitsubishi Corporation	8,000	Six-month yen Libor + 250bps	February 27, 2014
Total			8,000		

Note: The interest rate applied to the period from March 1, 2011 to August 31, 2011 is 2.846250%.

Unit Price Performance

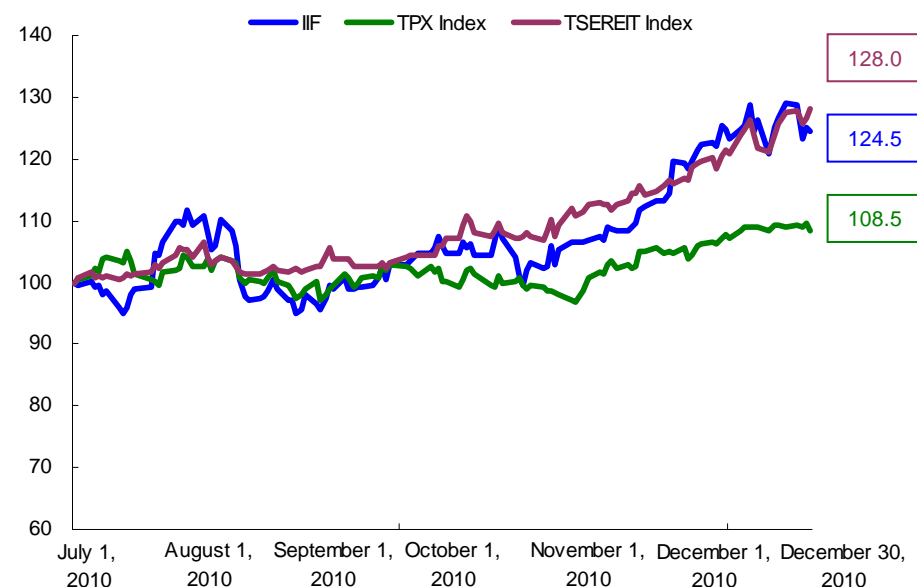
Unit Price Performance Since the Beginning of the Period (July 1 to December 30, 2010)



Highest price	405,500 yen	(December 24, 2010)
Lowest price	300,000 yen	(July 12, 2010)
Unit price (simple average)	339,331 yen	(as of December 30, 2010)
Total trading volume	21,704 units	(as of December 30, 2010)
Average daily trading volume	175 units	(as of December 30, 2010)

Note) Based on the closing price.
Source: Bloomberg

Comparison of Price Performance Since the Beginning of the Period (Notes 1 and 2)



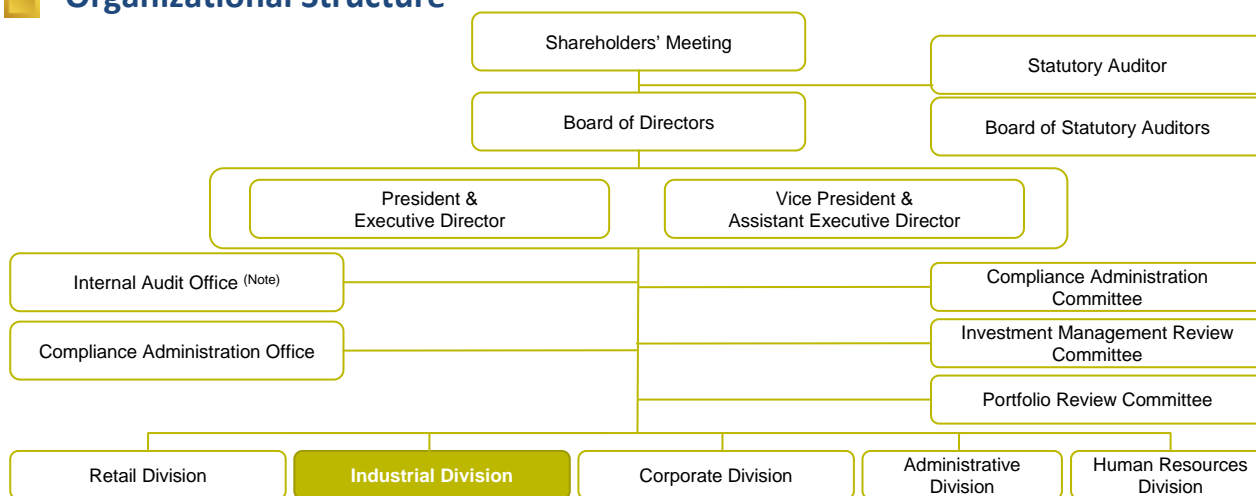
Notes:1) Based on the closing price.

Notes: 2) Assuming the closing price on July 1, 2010 was 100.

Source: Bloomberg

Overview of Asset Management Company

Organizational Structure



HQ in charge of IIF's asset management

Note: The deputy president also holds the post of the Chief of the Internal Audit Office.

Asset Management Company:
Number of Directors and Employees 85
(excluding part-time directors and employees)

Number of licensed persons out of the above

Licensed Real Estate Agents	29
First-Class Architects	5
Real Estate Appraisers	5
Certified Member of Security Analysts Association of Japan	4
CPAs	1
Certified Tax Accountants	3
MBAs (including US and England)	5

Note: As of March 1, 2011

Company History

November 15, 2000	Founded MC Asset Management
December 8, 2000	Changed the company name to Mitsubishi Corp. – UBS Realty Inc.
January 27, 2001	Obtained a license of real-estate transaction manager (license number: Governor of Tokyo (1) Number 79372)
April 5, 2001	Received approval to conduct business as a securities investment trust management company (approval number: Prime Minister Number 6)
June 5, 2002	Received approval to conduct both consulting and agent business (approval number: Financial Supervisory Agency Number 2161) (See Note)
May 17, 2005	Registered as beneficiary right seller (registration number: Director of Kanto Financial Bureau (Beneficiary Right Seller) Number 131) (See Note)
January 27, 2006	Obtained a license of real-estate transaction manager (license number: Governor of Tokyo (2) Number 79372)
January 25, 2007	Obtained approval (the required approval for initiating changes in business practice) based on the provisions outlined Paragraph 2 of Article 10 of the Former Securities Investment Trust Act.
May 11, 2007	Received approval for conducting the business of transaction discretion agency, etc. as stipulated in the Building Lots and Buildings Transaction Business Act (approval number: Minister of Land, Infrastructure, Transport and Tourism Number 58)
July 26, 2007	Obtained approval (the required approval for initiating changes in business practice) based on the provisions outlined Paragraph 2 of Article 10 of the Former Securities Investment Trust Act.
September 30, 2007	Registered as financial instruments dealer (registration number: Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403)
March 1, 2010	Submitted the notification for the running of a subsidiary business, in accordance with Items 4 and 7 in Paragraph 2 of Article 35 of the Financial Instruments and Exchange Act based on the provisions of Paragraph 3 of same article.

Note: IIF does not currently engage in this business.

Major Shareholders

Name	Number of Shares Held (shares)	Percentage of Shares Held to Outstanding Shares (%)
Mitsubishi Corporation	5,100	51.0
UBS AG	4,900	49.0

Note: As of December 31, 2010.

Disclaimer

- ▶ 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)