

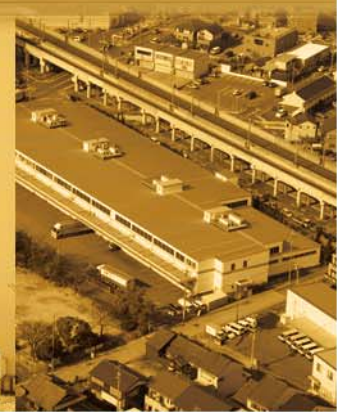


**Industrial & Infrastructure Fund
Investment Corporation**

Investor Presentation for the June 2011 (8th) Period



Mitsubishi Corp UBS Realty



Contents

1. Management Report for the Period Ended June 2011 (8th Period) and Earnings Forecast for the Period Ending December 2011 (9th Period)
2. Future Growth Strategy
 - A. External Growth Strategy
 - Various acquisition methods and advantage as a pioneer
 - Current situation of acquisition activities
 - B. Internal Growth Strategy
 - Management report
 - Establish portfolio that delivers stable cash flow
 - C. Financial Strategy
 - Financial strategy that focuses on improving financial stability and debt cost control
3. Effects of the Various Measures Announced on August 10, 2011 on DPU on a Stabilized Basis
4. Effects of the Great East Japan Earthquake (occurred on March 11, 2011) and Future Responses
5. Overview of the Follow-on Offering in March 2011
6. Appendix

1. Management Report for the Period Ended June 2011 (8th Period) and Earnings Forecast for the Period Ending December 2011 (9th Period)

Management Report for the Period Ended June 2011 (8th Period)

Performance for the June 2011 Period (8th Period)

Item	Period Ended December 2010 (7th Period) (184days) (actual)	Period Ended June 2011 (8th Period) (181days) (actual)	Period-Over-Period
Operating Revenue	2,962 million yen	3,295 million yen	+333 million yen (+11.3%)
Operating Income	1,364 million yen	1,622 million yen	+258 million yen (+18.9%)
Recurring Profit	799 million yen	1,038 million yen	+239 million yen (+29.9%)
Net Income	798 million yen	1,022 million yen	+223 million yen (+28.1%)
Dividend per Unit	10,102 yen	10,919 yen	+817 yen (+8.1%)
FFO per Unit (Note 1)	17,276 yen	17,062 yen	-214 yen (-1.2%)
FFO Payout Ratio	58.5%	64.0%	
LTV (Note 2) (excluding subordinated investment corporation bond)	49.5%	47.8%	
LTV (Note 3) (including subordinated investment corporation bond)	57.2%	54.8%	
Long-term Debt Ratio (Note 4)	79.8%	98.2%	
Capital Expenditure (Note 5)	94 million yen	29 million yen	-65 million yen
Repair Expense (Note 7)	77 million yen	4 million yen	-72 million yen
Total	172 million yen	34 million yen	-137 million yen
Depreciation	567 million yen	575 million yen	+8 million yen
Number of Properties	11 properties	16 properties	+5 properties
Occupancy rate	99.9%	99.9%	
Total Acquisition Price	96,900 million yen	108,240 million yen	+11,340 million yen (+11.7%)
Total Interest-Bearing Debt (excluding subordinated investment corporation bond)	51,500 million yen	54,100 million yen	+2,600 million yen (+5.0%)
Total Interest-Bearing Debt (including subordinated investment corporation bond)	59,500 million yen	62,100 million yen	+2,600 million yen (+4.4%)
Number of Outstanding Units	79,035 units	93,632 units	+14,597 units (+18.5%)

(Note 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 units at the end of period

(Note 2) Total interest-bearing debt (excluding subordinated investment corporation bond)/total assets

(Note 3) Total interest-bearing debt (including subordinated investment corporation bond)/total assets

(Note 4) (Long-term borrowing + subordinated investment corporation bond)/total interest-bearing debt (including subordinated investment corporation bond)

(Note 5) Koshigaya LC: repair work: approx. 71 million yen, Shinsuna LC: repair of exterior wall: approx. 23 million yen

(Note 6) Shinsuna LC: repair work of north side drainage: 8 million yen, Koshigaya LC: installation of relay pump tank for soil water: 7 million yen, installation of solar power system: 5 million yen

(Note 7) Koshigaya LC: restoration work: approx. 65 million yen, Kobe DHC: inspection of halide fire-extinguishing equipment: approx. 6 million yen, Kobe DHC: repair of building equipment: approx. 3 million yen

(Note 8) Saitama LC: repair of over slider, smoke vent window and glass panels: 1 million yen

Reason for Major Changes in Profit for the Period Ended June 2011(Period-over-Period)

Operating Income +258 million yen ①

✓ Profit/loss from leasing business +247 million yen

- Contribution of 5 properties planned to acquire +195 million yen
- Yokohama Tsuzuki TC (six-month contribution) +38 million yen
- Increase in revenue due to decrease in repair cost (recoil decrease in construction cost from previous period, etc.) +33 million yen
- Increase in revenue due to decrease in other expenses (completion of amortization of some facilities in Haneda Airport MC, etc.) +28 million yen
- Rent reduction of Haneda Airport MC (5%) -48 million yen

Recurring Profit +239 million yen ② (= ①+③+④)

✓ Increase in interest-bearing debt cost due to additional borrowing, etc. -30 million yen ③

✓ Decrease in amortization of unit issuance cost +11 million yen ④ Completion of amortization of IPO cost and occurrence of amortization of PO cost

Net Income +223 million yen ⑤ (= ②+⑥)

✓ Extraordinary loss from disaster -15 million yen ⑥ Repair and investigation cost due to the earthquake

Comparison with Forecasts

	① Estimated DPU	Actual Result	Difference
Initial estimate: announced on February 21, 2011	11,012 yen	10,919 yen	-93 yen (-0.8%)
	② Estimated Effect	Actual Result	Difference
Announcement of effect of the Earthquake: March 23, 2011	-567 yen	-490 yen	+77 yen
a. Repair cost of properties owned when the earthquake occurred	-181 yen	-139 yen	-
b. The investigating cost of existing properties at the earthquake occurrence	-24 yen	-23 yen	-
c. Effect of postponing delivery of properties acquired	-362 yen	-328 yen	-
	①+②	Actual Result	Difference
Initial estimate + Announcement of effect of the Earthquake	10,445 yen	10,919 yen	+474 yen (+4.5%)

* a. and b. represent extraordinary disaster loss, while c represents decrease in profit/loss from the lease business.

Earnings Forecast for the Period Ending December 2011 (9th Period)

Earnings Forecast for the December 2011 Period (9th Period)

Item	Period Ended June 2011 (8th Period) (181 days) (actual)	Period Ending December 2011 (9th Period) (184 days) (forecast)	Period-Over-Period
Operating Revenue	3,295 million yen	3,526 million yen	+230 million yen (+7.0%)
Operating Income	1,622 million yen	1,843 million yen	+221 million yen (+13.6%)
Recurring Profit	1,038 million yen	1,151 million yen	+112 million yen (+10.9%)
Net Income	1,022 million yen	1,150 million yen	+127 million yen (+12.5%)
Dividend per Unit	10,919 yen	12,285 yen	+1,366 yen (+12.5%)
FFO per Unit ^(Note 1)	17,062 yen	18,511 yen	+1,449 yen (+8.5%)
FFO Payout Ratio	64.0%	66.4%	
LTV (excluding subordinated loan) ^(Note 2)	47.8%	49.5%	
LTV (including subordinated loan) ^(Note 3)	54.8%	54.8%	
Long-term Debt Ratio ^(Note 4)	98.2%	100.0%	
Capital Expenditure	29 million yen	^(Note 5) 96 million yen	+66 million yen
Repair Expense	4 million yen	^(Note 6) 26 million yen	+21 million yen
Total	34 million yen	122 million yen	+88 million yen
Depreciation	575 million yen	582 million yen	+7 million yen

(Note 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 units at the end of period

(Note 2) 8th Period: Total interest-bearing debt (excluding subordinated investment corporation bond)/total assets, 9th Period: Total interest-bearing debt (excluding subordinated loan)/total assets

(Note 3) 8th Period: Total interest-bearing debt (including subordinated investment corporation bond)/total assets, 9th Period: Total interest-bearing debt (including subordinated loan)/total assets

(Note 4) 8th Period: (Long-term borrowing + subordinated investment corporation bond)/total interest-bearing debt (including subordinated investment corporation bond), 9th Period: Long-term borrowing/total interest-bearing debt (including subordinated loan)

(Note 5) Shinonome LC: revetment repair work: 43 million yen, Koshigaya LC: paint work of exterior wall: 29 million yen, Nishinomiya LC: repair of exterior wall: 9 million yen, Shinsuna LC: paint work of outside iron parts: 5 million yen

(Note 6) Koshigaya LC: repair of water leakage of roof: 2 million yen, Kobe DHC: installation of high-level tank: 2 million yen, repair of heat exchanger: 1 million yen, repair of rooftop exhaust pipe: 1 million yen, Atsugi II: repair of in-house electric generator: 1 million yen

Major Assumptions for Forecast for the Period Ending December 2011 (9th Period) (as of the end of 9th period)

Item	Period Ended June 2011 (8th Period) (actual)	Period Ending December 2011 (9th Period) (Assumptions for forecast)	Assumptions
Number of Properties	16 properties	16 properties	No change in properties as well as tenants by the end of December 2011
Occupancy rate	99.9%	99.9%	
Total Acquisition Price	108,240 million yen	108,240 million yen	
Total Interest-Bearing Debt (excluding subordinated loan)	54,100 million yen	56,100 million yen	Redemption of subordinated investment corporation bond of 8 billion yen (fund for redemption: subordinated loan (5.9 billion yen), new borrowing (2 billion yen) and cash on hand (0.1 billion yen)), repayment of borrowing of 11.6 billion yen by new borrowing of the same amount
Total Interest-Bearing Debt (including subordinated loan)	62,100 million yen	62,000 million yen	
Number of Outstanding Units	93,632 units	93,632 units	Number of outstanding units as of the end of June 2011

Reason for Major Changes in Profit for the Period Ending December 2011 (Period-over-Period)

▶ Operating Income	+221 million yen ① (≡ ②+③)
✓ Profit/loss from leasing business	+254 million yen ②
<ul style="list-style-type: none"> 5 properties planned to acquire (six-month contribution) Collection of penalty for cancellation for Atsugi LC Increase in repair cost 	+198 million yen +74 million yen -21 million yen
✓ Operating expense other than lease business	-33 million yen ③
<ul style="list-style-type: none"> Attorney's fee for contract renewal for Kobe DHC 	-20 million yen
▶ Recurring Profit	+112 million yen ④ (≡ ①+⑤)
✓ Increase in interest-bearing debt cost	-101 million yen ⑤
<ul style="list-style-type: none"> Increase due to additional borrowing in previous period and extending of the term (six-month contribution) Increase in temporary expense due to redemption of subordinated investment corporation bond and refinancing in current period 	-61 million yen -39 million yen
▶ Net Income	+127 million yen ⑦ (≡ ④+⑧)
✓ Recoil decrease in extraordinary disaster loss from previous period	+15 million yen ⑧

2. Future Growth Strategy

- A. External Growth Strategy
- B. Internal Growth Strategy
- C. Financial Strategy

History of IIF

History of IIF aiming to improve and stabilize dividend

	Period ended June 2009 4th period	Period ended December 2009 5th period	Period ended June 2010 6th period	Period ended December 2010 7th period	Period ended June 2011 8th period	Period ending December 2011 9th period
	Response to Changes in Financial Environment	Creating the Foundation for Stability	Improving the Dividend by Replacing Properties	Shift to Growth	Execute the Strategy to Aim Stable Dividend Growth	Continue the Strategy to Aim Stable Dividend Growth
Dividend Trends and Major Topics	Dividend per Unit 11,078 yen (excluding amount equivalent to gain on sales) 10,393 yen	Dividend per Unit 10,342 yen	Dividend per Unit 16,235 yen (excluding amount equivalent to gain on sales) 10,418 yen	Dividend per Unit 10,102 yen	Dividend per Unit 10,919 yen	Dividend per Unit 12,285 yen (forecast)
	Issuance of subordinated investment corporation bond Sale of Musashimurayama LC	Increase in stability by extending the term of debt Long-term fixed borrowing from a new lender (MetLife Alico)	Acquisition of Narashino LC (land with leasehold) Acquisition of Totsuka TC (land with leasehold) Sales of Funabashi LC Obtain longer term of debt	Acquisition of Yokohama Tsuzuki TC Change of lease contract of Haneda Airport MC Replacement of tenants of Koshigaya LC Long-term borrowing from a new lender (SMBC)	Successful completion of the first follow-on offering Acquisition of 5 properties Seven-year fixed borrowing from a new lender (DBJ) Seven-year fixed borrowing from main banks Introduction of commitment-type term loan	Signing of a new lease contract of Kobe DHC Replacement of tenants of Atsugi LC Redemption before maturity of subordinated investment corporation bond and improvement of financial stability

A. External Growth Strategy









- Various acquisition methods and advantage as a pioneer
- Current situation of acquisition activities

Various Acquisition Methods and the Advantage as a Pioneer

Steady Results in the New Asset Class

- ✓ IIF captures CRE strategy needs of influential companies by various acquisition methods and produced steady results.
- ✓ IIF leverages the advantage (results, knowhow and network) as a pioneer in industry property investment to implement its acquisition activities, focusing on “provision of solutions that meet CRE strategy”.
- ✓ IIF continues property acquisition in the asset class with limited competitors, realizing the NOI yield that exceeds implied cap rate.

NOI yield at acquisition that exceeds implied cap rate

cap rate.											(million yen)	
	Property	Seller	Acquisition Method			Acquisition Price	Appraisal Value at Acquisition	NOI Yield at Acquisition	Weighted-average NOI Yield at Acquisition	Implied Cap Rate (Note 3)		
			Proposal for solution to CRE Strategy	Usage of original Network	Collaboration with Sponsor							
						Unrealized Gain/Loss (%)						
6th Period	Narashino LC (land with leasehold)		Orix Corporation (listed company)	—	Exclusive Deal	—	1,190	1,930	6.3%	6.1%	6.1%	
	+62.2%											
	Totsuka TC (land with leasehold)		Taisei Corporation (listed company)	Proposal to Seller	Exclusive Deal	—	4,500	4,710	6.1%			
	+4.7%											
7th Period	Yokohama Tsuzuki TC		Nippon Tochi-Tatemono Co., Ltd. (major real estate company)	—	Exclusive Deal	—	1,100	1,240	7.3%	7.3%	5.8%	
	+12.7%											
8th Period	Narashino LC II (land with leasehold)		Sapporo Breweries Limited (Note 1) (listed company)	Proposal to Seller	Exclusive Deal	Warehousing/Development	3,350	3,760	6.3%	6.9%	5.2%	
	+12.2%											
	Atsugi LC II		Odakyu Electric Railway Co., Ltd. (listed company)	Proposal to Seller	Exclusive Deal	—	3,100	3,180	7.0%			
	+2.6%											
	Nagoya LC		Taiheiyo Cement Corporation (listed company)	Proposal to seller and tenant	—	—	1,050	1,110	7.9%			
	+5.7%											
	Yokohama Tsuzuki LC		J-REP Co., Ltd. (Note 2) (listed company)	—	Exclusive Deal	—	2,350	2,580	6.5%			
	+9.8%											
	Saitama LC		Bayside (SPC funded by REIT in Singapore)	—	Exclusive Deal	—	1,490	1,700	8.2%			
	+14.1%											
Total						18,130	20,210					
						+11.5%						
<div><div><div>Note 1) It utilizes the warehousing function, and the actual seller is Godo Gaisha Industrial Akanehama. In fact, Sapporo Holdings Ltd., a holding company of Sapporo Breweries Limited, is listed.</div><div>Note 2) The seller entity is J-Rep M, a SPC funded by J-Rep Co., Ltd.</div><div>Note 3) The implied cap rate as of the end of the period before the one when property was acquired.</div></div><div><div></div><div>Industrial & Infrastructure F</div></div></div>												

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(Note 2) The seller entity is J-Rep M, a SPC funded by J-Rep Co., Ltd.

(Note 3) The implied cap rate as of the end of the period before the one when property was acquired.

Current Situation of Acquisition Activities (Pipelines)

Success of offering had a favorable effect on the pipelines/Pays close attention to changes in real estate strategy of corporates after the Earthquake

Effects in success of offering

▶ Steady expansion of proposal schemes

- ✓ Expansion of proposal schemes ▶ Meets a wide range of CRE needs of companies

	Proposed Company (By type of facility)	Needs	Proposed Scheme
Example (1)	Taisei Corporation (R&D facility)	Needs to produce profit and secure cash	Sale and leaseback of core assets
Example (2)	Taiheiyo Cement Corporation (Distribution center for lease)	Needs to concentrate management resources on core business	Securement of cash by selling non-core assets
Example (3)	Sapporo Breweries Limited (Distribution center for internal use)	Needs to streamline B/S and restructure distribution network	Off-balance by short-term sale and leaseback

- ✓ Deepening of trust worthy relationship with various parties by increasing CRE related deals

Effects of the Earthquake

▶ Some changes in real estate strategy of corporates

- ✓ Acceleration of return to main business
- ✓ Changes in asset holding strategy
- ✓ Needs to create fund for reconstruction due to the Earthquake

Specific effect on pipelines

Further evolution of CRE strategy proposal

- ▶ Total of 59 deals amounting to approx. 245 billion yen in pipeline (of those, there are 25 CRE deals, amounting to approx. 130 billion yen.)
- ✓ Proposed deals in progress via IIF's own route
- ✓ Increase in requests to consider CRE deals from external companies, implementation of collaborated proposal
- ✓ Strengthening of bridging function to flexibly meet various sales timings of companies

Further spread of management with less assets

- ▶ Specific actions of companies by proposed CRE strategy (example)
- ✓ Consideration to focus invested capital on main business by selling rental properties
- ✓ Consideration to sell large-sized assets to emphasize its effect on main business
- ✓ Consideration to sell real estate to secure fund for restructuring

B. Internal Growth Strategy

- Management report
 - (1) IIF Kobe District Heating and Cooling Center
 - (2) IIF Atsugi Logistics Center
- Establish portfolio that delivers stable cash flow

Management Report (1) IIF Kobe District Heating and Cooling Center

Despite rent reduction, achieved stabilization of profit in the long term

Signed a new lease contract effective on June 7, 2012

Points of contract

- ✓ Approx. 14% reduction from current rent
- ✓ 12-year fixed-term building lease contract
- ✓ Elimination of the right of the tenant to request rent reduction according to the provisions of Article 38, Section 7 of the Land Lease and House Lease Act

Effects on portfolio

- ✓ Portfolio rent: approx. 1.8% decrease
- ✓ Extension of the average remaining lease term: to 13.7 years from 12.3 years
- ✓ Secured stable cash flow in the long term

Summary of the new lease contract as of August 11, 2011

	New contract terms	Current contract terms
Type of contract	Fixed-term building lease contract	
Term of contract	June 7, 2012 to June 6, 2024 (12 years*)	June 7, 2002 to June 6, 2012 (10 years)
Monthly rent (before consumption tax)	53,366,840 yen	62,344,440 yen
Rent revision	None	
Deposit	Amount equivalent to 40-month portion of monthly rent	
Expense	Tenant pays utilities and building maintenance fee	

* Non-cancellable for 10 years

Background of signing of the new lease contract

Upon expiration of the current contract, IIF discussed about a new contract



Management Report (2)-1 IIF Atsugi Logistics Center

Started a new contract with the succeeding tenant upon termination of the contract with the existing tenant

Status of contract for IIF Atsugi Logistics Center

Mitsubishi Corporation LT, Inc.

- ✓ Exercised the termination option due to its business decision
- ✓ Will cancel as of the end of December 2011
(Pays the cancellation penalty equivalent to six-month rent to IIF)

Change
of
tenant

Stream Co., Ltd.

- ✓ Signed a new contract with Stream Co., Ltd., (mail-order business of home electronics), a sub-lessee of the current tenant
- ✓ Same rent as the current tenant

Mitsubishi Corporation LT, Inc.	Tenant name	Stream Co., Ltd. (listed on the Mothers section of TSE)
Fixed-term building lease contract	Type of contract	Fixed-term building lease contract
January 1, 2007 to December 31, 2016 (10 years)	Term of contract	January 1, 2012 to June 30, 2012 (6 months)
Only 5 years after the start of the contract	Termination option	None
75 million yen	Rent revenue per period (before consumption tax)	75 million yen

Effects on Rent Revenue and Schedule

Secured rent revenue until the 10th Period by signing a new contract

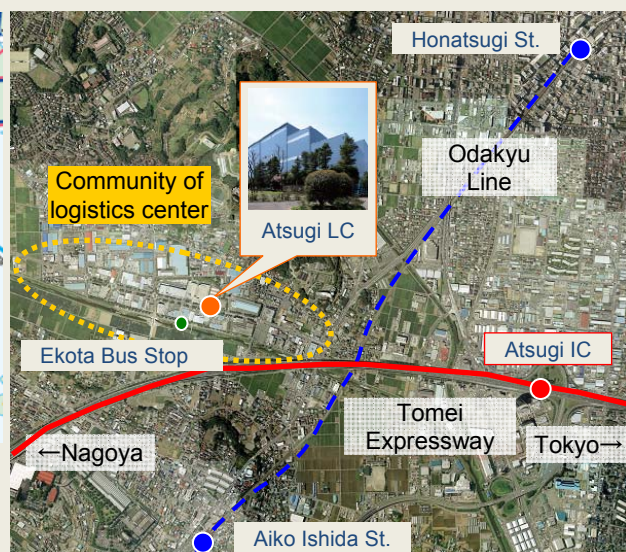
Rent revenue	For the Period Ending December 2011 (9th Period)						For the Period Ending June 2012 (10th Period)					
	Mitsubishi Corporation LT, Inc. (Rent revenue per period: 75 million yen)						Stream Co., Ltd. (Rent revenue per period: 75 million yen)					
Schedule	2011						2012					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
Contract	Terminated as of the end of Dec.						New contract in Jan.					
Leasing	Implement activities to invite new tenants, focusing on businesses that can leverage specs of the facility						Expires as of the end of June					

Management Report (2)-2 Leasing of IIF Atsugi Logistics Center

Located in the Community of Logistics Center within an Approx. 40-kilometer Radius of the City Center



- Within walking distance (approx. 20 minutes) from the nearest station (Aiko Ishida Station)
- Buses of Kanagawa Chuo Kotsu to 2 stations (Odakyu Line "Honatsugi Station" and "Aiko Ishida Station")



Source: Pasco Corporation

Large Facility with Floor Area of Approx. 3,000 Tsubo



Specs suitable for logistics and processing operation

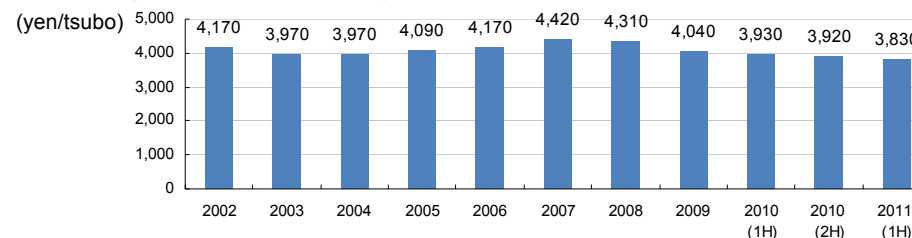
- ✓ Each room from 2nd floor through 4th floor is fully equipped with individual AC
- ✓ Lighting facility of high illuminance (400 Lx) *Lighting of normal warehouses is approx. 300 Lx.
- ✓ Equipped with a resting room for employees and a parking space
- ✓ Easy to secure operation staff

Market Conditions in the Atsugi Area

Area with strong demand for large facilities and high rent level

- ▶ **Average rent offer and status of operation of major properties in the Atsugi Area**
Large facilities with floor area of 3,000 tsubo or more in the Atsugi Area are in full operation, and the rent level is stable due to continuing demand.
- ▶ **Trend of tenants in the Atsugi Area**
Distribution centers for food and drug stores and companies that sell pharmaceuticals and apparel are concentrated in the Area as a distribution base for areas with large consumption such as Tokyo Santama Area, Yokohama and Kawasaki.
- ▶ **Leasing to businesses that require logistics and processing operation**
By leveraging the location and specs of the facility as an area that allows shipping with a short lead time to locations with large consumption in the Kanto Area, IIF focuses on leasing to businesses that require logistics and processing operation in a warehouse such as apparel, mail order and a repair center of precision equipment.

• Average rent offer in the Atsugi IC Area



• Operation status of major properties

Source: CB Richard Ellis

Name of Property	Management entity	Floor area	Occupancy rate	Major tenant
Landport Atsugi	Nomura Real Estate Investment Management Co., Ltd.	52,393 m ²	100%	Yamato Transport Co., Ltd.
Sagamihara Logistics Center	Nomura Real Estate Investment Management Co., Ltd.	57,448 m ²	100%	Fukuyama Transporting Co., Ltd.
Atsugi Logistics Center	Orix Real Estate Corporation	43,532 m ²	100%	Senko Co., Ltd.
Prologis Zama	Prologis	139,222 m ²	100%	Vantec Corporation
Prologis Ebina	Prologis	35,484 m ²	100%	Kirin Logistics Co., Ltd.
Zama Center	Mapletree Logistics Trust Management Limited	41,171 m ²	100%	NEC Logistics, Ltd.
Atsugi Center	Mapletree Logistics Trust Management Limited	17,262 m ²	100%	Senko Co., Ltd.
CRE LogiSquare Sagamiara	Diamond Realty Management Inc.	23,362 m ²	100%	Yamamura Warehouse Co., Ltd.

Source: IIF

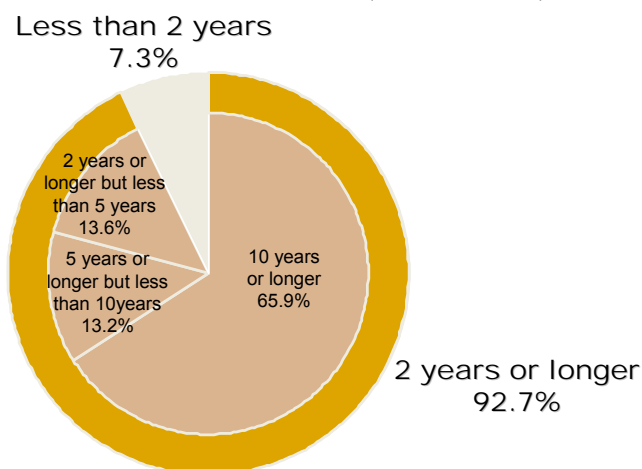
Establish Portfolio that Delivers Stable Cash Flow

Lease contract, a source of IIF's revenue, is stable in the long term (including new contracts for Kobe DHC and Atsugi LC).

Remaining lease term

Remaining lease term of 2 years or longer : **92.7%**

(annual-rent basis)



* Termination option or expiration, whichever is earlier

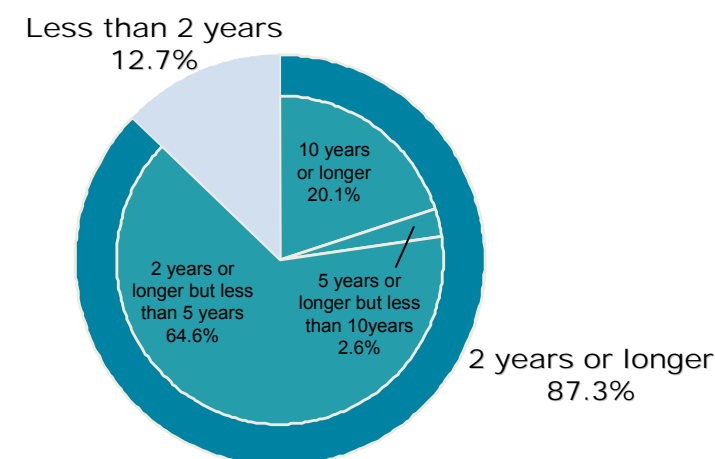
✓ Measures for properties with remaining lease term less than 2 years (7.3%)

Name of property	Rent %	Date of expiration	Measures
Atsugi LC	2.6%	June 30, 2012	Focus on leasing to a new tenant by leveraging the specs of the facility
Kobe DHC (warehouse, etc.)	0.1%	June 6, 2012	Aim to re-sign a contract with the current tenant in light of the current usage situation
Atsugi LC II	4.6%	August 31, 2012	Aim to re-sign a contract with the current tenant in light of the situation where the facility is used as an important base for the end tenant

Remaining period before next rent revision

Remaining period of 2 years or longer before the next rent revision : **87.3%**

(annual-rent basis)



* Excluding Atsugi LC and Kobe DHC (warehouse, etc.) for which the contracts will expire within the next 2 years. Also, for lease terms without specific renewal timing (which becomes effective under specific changes in economic conditions etc.) is assumed that renewal will not be implemented within the remaining lease term.

✓ Measures for properties with less than 2 years remaining before the next rent revision (12.7%)

	Name of property	Rent %	Date of rent revision	Term for revision	Measures
Contract	Yokohama Tsuzuki TC	1.9%	October 1, 2011	Increase the rent by 2% every 3 years	Plan to increase the rent by 2% as per the contract
	Shinsuna LC	5.7%	July 15, 2013	Increase the rent by 3% every 3 years	Plan to increase the rent by 3% as per the contract
Discussion	Atsugi LC II	4.6%	September 1, 2011	Discuss after 3 years based on changes in taxes and public dues, prices and rents of neighboring facilities, etc.	Proceed with discussion based on the revision of the same amount since there is no significant change in indices

Note: Based on the contracts signed with tenants by August 11, 2011.

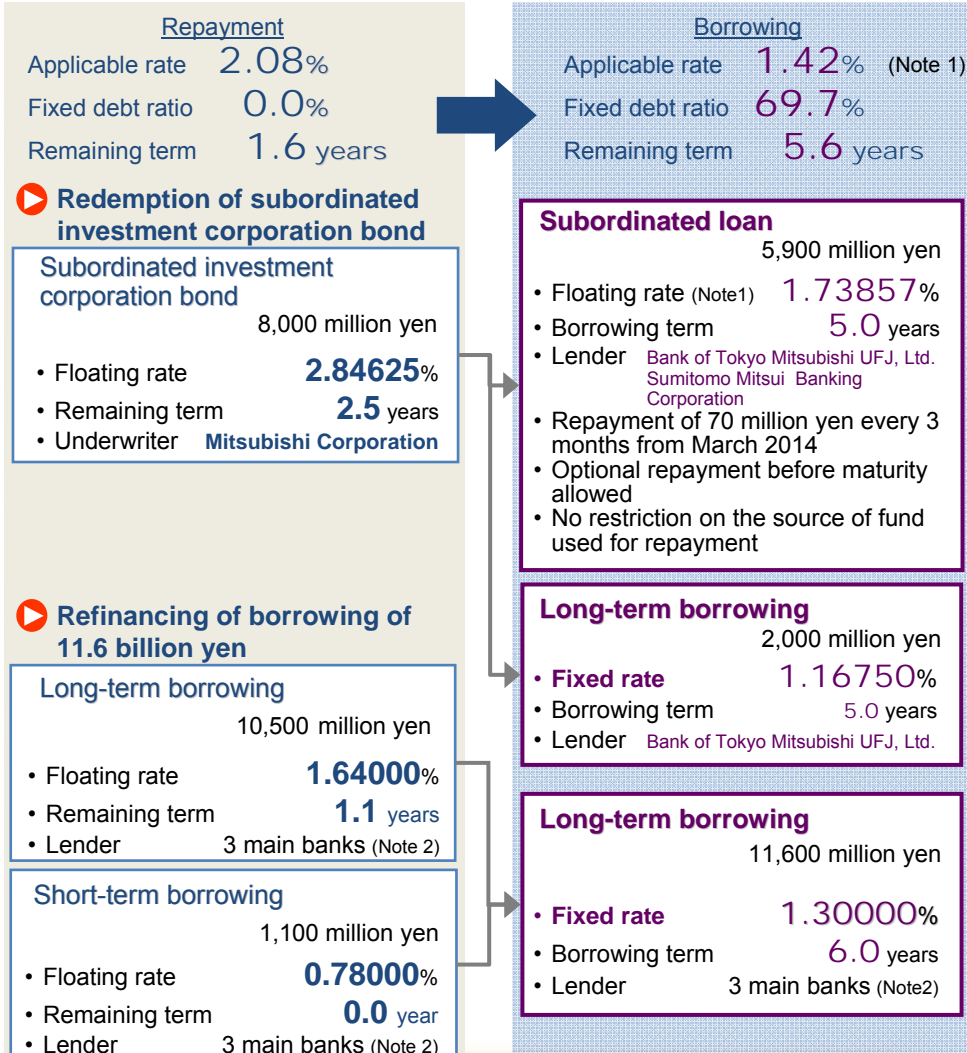
C. Financial Strategy

- Financial strategy that focuses on improving financial stability and debt cost control

Financial Strategy that Focuses on Improving Financial Stability and Debt Cost Control (1)

Reduces debt cost by full redemption of subordinated investment corporation bond and achieves improvement of financial stability

Measures

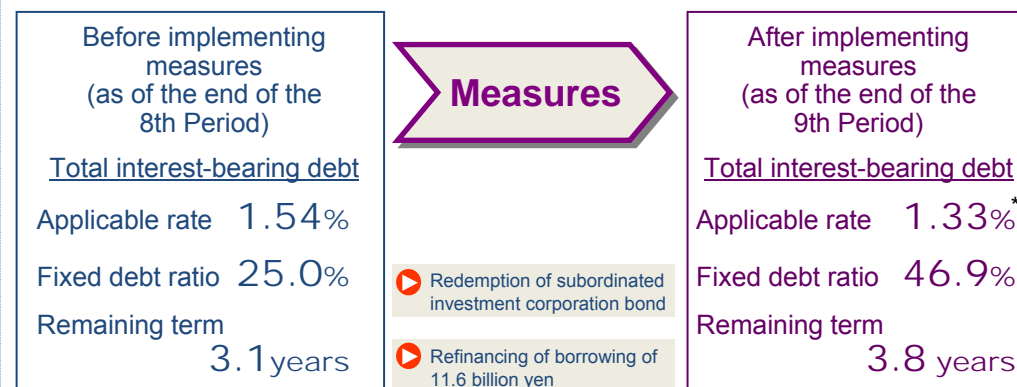


Redeem subordinated investment corporation bond in full before maturity by using cash on hand of 100 million yen

(Note1) The data is based on the interest rate as of August 10, 2011.

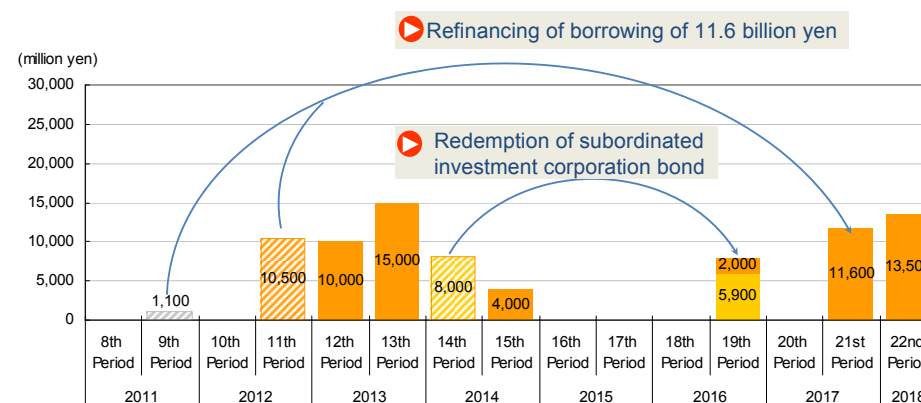
(Note2) Three main banks: Bank of Tokyo Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Trust & Banking Co., Ltd.

Change in the Overall Financial Situation due to the Measures



*The data is based on the interest rate as of August 10, 2011.

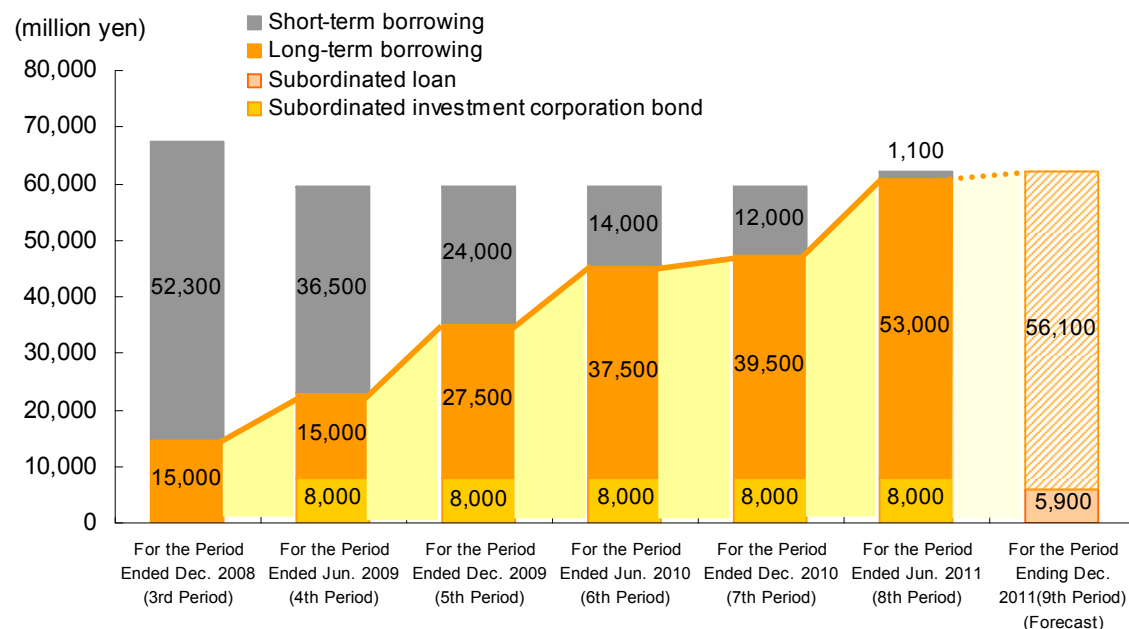
Distribution of Repayment Deadline



Financial Strategy that Focuses on Improving Financial Stability and Debt Cost Control (2)

Improves financial stability by continuous measures

Improvement of Financial Stability



(1) LTV (excluding subordinated loan)	60.0%	49.4%	49.6%	49.2%	49.5%	47.8%	49.5%
(2) LTV (including subordinated loan)	60.0%	57.1%	57.3%	56.9%	57.2%	54.8%	54.8%
(3) Long-term debt ratio	22.3%	38.7%	59.7%	76.5%	79.8%	98.2%	100.0%
(4) Fixed debt ratio	0.0%	0.0%	3.4%	3.4%	3.4%	25.0%	46.9%
(5) Average remaining term	0.6 years	1.3 years	1.5 years	1.7 years	2.1 years	3.1 years	3.8 years

(1) End of 3rd Period to End of 8th Period: Total interest-bearing debt (excluding subordinated investment corporation bond)/total assets, End of 9th Period: Total interest-bearing debt (excluding subordinated loan)/total assets

(2) End of 3rd Period to End of 8th Period: Total interest-bearing debt (including subordinated investment corporation bond)/total assets, End of 9th Period: Total interest-bearing debt (including subordinated loan)/total assets

(3) End of 3rd Period to End of 8th Period: (Long-term borrowing + Subordinated investment corporation bond)/total interest-bearing debt, End of 9th Period: Long-term borrowing/total interest-bearing debt (including subordinated loan)

(4) End of 3rd Period to End of 8th Period: Total fixed-rate borrowing/total interest-bearing debt (including subordinated investment corporation bond), End of 9th Period: Total fixed-rate borrowing/total interest-bearing debt (including subordinated loan)

* Fixed-rate borrowing includes borrowing whose interest rate is planned to be fixed by utilizing interest rate swap.

(5) Calculated by averaging remaining term of each borrowing and subordinated investment corporation bond according to the borrowing amount.

3. Effects of the Various Measures Announced on August 10, 2011 on DPU on a Stabilized Basis

Effects of the Various Measures Announced on August 10, 2011 on DPU on a Stabilized Basis

■ Effects of the Various Measures on DPU on a Stabilized Basis

	Specific effect on DPU on a stabilized basis	Effect on a stabilized basis (six-month contribution)	Calculation period for a stabilized basis
▶ Notice Concerning Early redemption of the First Unsecured Corporate Bonds Debt Financing and Completion of Interest Swap	<ul style="list-style-type: none"> Decrease in interest-bearing debt cost by redemption of subordinated investment corporation bond to be implemented on August 31, 2011 	+402 yen ^(Note 1)	From the Period Ending June 2012 (10th Period)
▶ Notice Concerning Debt Financing (Refinancing, Early repayment) and Completion of Interest Swap	<ul style="list-style-type: none"> Decrease in interest-bearing debt cost by refinancing of borrowing to be implemented on September 30, 2011 	+255 yen	From the Period Ending June 2012 (10th Period)
▶ Notice Concerning Binding Fixed Term Lease Contract of IIF Kobe District Heating and Cooling Center, Hyogo Prefecture	<ul style="list-style-type: none"> Decrease in rent based on the new lease contract to be effective as of June 7, 2012 	-576 yen	From the Period Ending December 2012 (11th Period) * -77 yen for the Period Ending June 2012 (10th Period) (24-day contribution from June 7)
▶ Notice Concerning Changing Tenant in IIF Atsugi Logistics Center, Kanagawa Prefecture	<ul style="list-style-type: none"> Signing of the new lease contract to be effective as of January 1, 2012 with the same rent as the current one 	No effect on DPU because the rent is the same by the end of the Period Ending June 2012 (10th Period)	(Note 2)

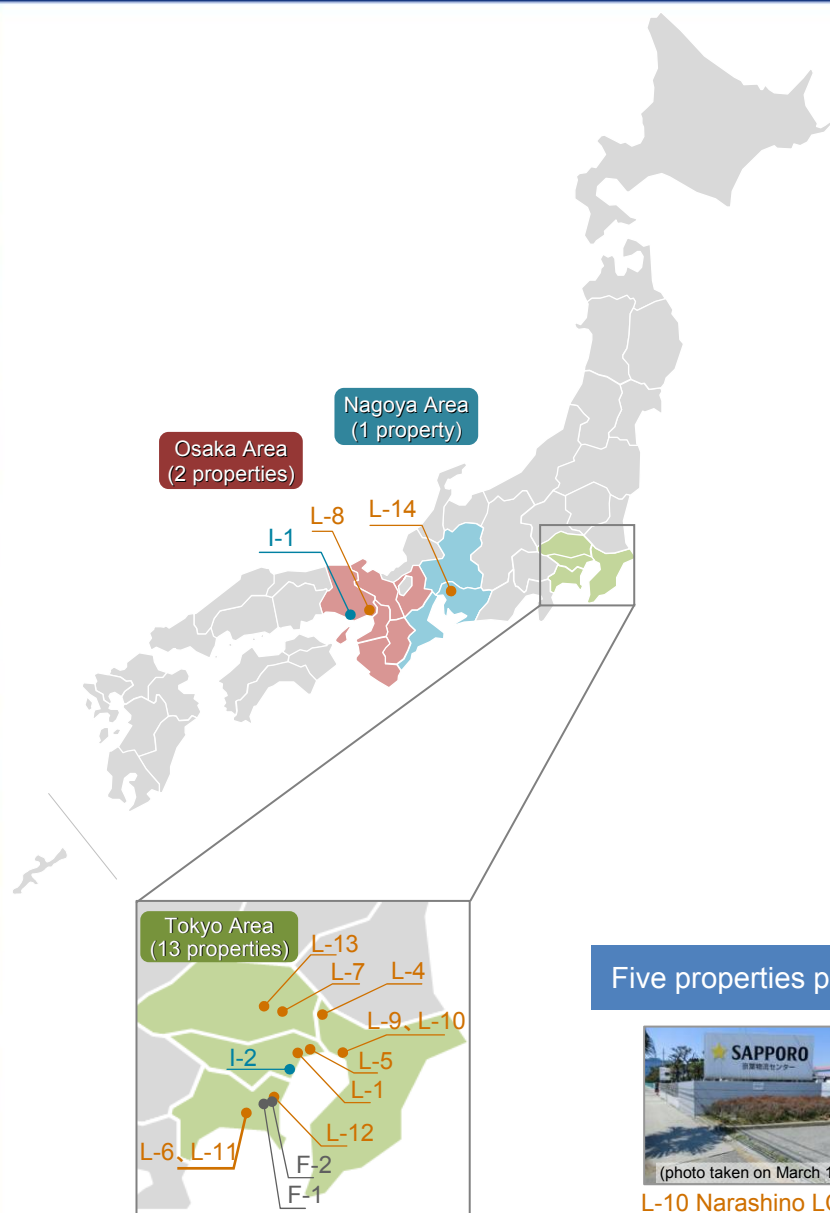
* Effect on estimated DPU is calculated based on 93,632 outstanding units and rounded down fractions less than one unit. The above amount of estimated DPU is calculated only by considering effects of each event. Actual DPU will fluctuate according to changes in factors other than those above.

(Note1) Calculated based on the applicable rate as of August 10, 2011. Since the borrowing subordinated loan, used as an assumption for calculation, is a floating rate borrowing, the actual effect on DPU may change according to changes in applicable rate.

(Note 2) Tenant of Atsugi LC after July 1, 2012 (beginning of the 11th Period) is not decided as of August 10, 2011.

4. Effects of the Great East Japan Earthquake (occurred on March 11, 2011) and Future Responses

Status of Portfolio at the Great East Japan Earthquake (March 11, 2011)



Eleven properties owned before the Earthquake occurred (before March 11, 2011)



L-1 Shinonome LC
Operating as usual
(No interruption
due to the Earthquake)



L-4 Noda LC
Operating as usual
(No interruption
due to the Earthquake)



L-5 Shinsuna LC
Operating as usual
(No interruption
due to the Earthquake)



L-6 Atsugi LC
Operating as usual
(No interruption
due to the Earthquake)



L-7 Koshigaya LC
Operating as usual
(No interruption
due to the Earthquake)



L-8 Nishinomiya LC
Operating as usual
(No interruption
due to the Earthquake)



L-9 Narashino LC
(land with leasehold)
Operating as usual
(No interruption
due to the Earthquake)



F-1 Totsuka TC
(land with leasehold)
Operating as usual
(No interruption
due to the Earthquake)



**F-2 Yokohama
Tsuzuki TC**
Operating as usual
(No interruption
due to the Earthquake)



I-1 Kobe DHC
Operating as usual
(No interruption
due to the Earthquake)



I-2 Haneda Airport MC
Operating as usual
(No interruption
due to the Earthquake)

Five properties planned to acquire after the Earthquake occurred (after March 11, 2011)



L-10 Narashino LC II
(land with leasehold)



L-11 Atsugi LC II



**L-12 Yokohama
Tsuzuki LC**



L-13 Saitama LC



L-14 Nagoya LC

(Note) Pictures of properties are not limited to IIF's portfolio.
In particular, for "land with leasehold" properties, please note that IIF only owns the land.







Completion of Repair Work for Earthquake Damages

■ Completion of Repair Work of Properties Owned

Although partial damages were observed in 3 properties out of 11 owned when the Earthquake occurred, **repair work completed by the end of the current period.**

Cost of repair work		% to total properties owned
Initial estimate	Actual result (*)	
17	13 million yen	0.01%
The above-mentioned repair cost was recorded as an extraordinary loss in the 8 th Period.		The percentage of repair cost to the total acquisition price (96,900 million yen) of 11 properties owned before the Earthquake occurred.

(*) Reduced cost by doing repair work together with the repair work planned before the Earthquake occurred.

■ Status of completion of repair work					
	Replace drain in curb		Replace laying pipe		Replace board
					

■ Completion of Acquisition of Properties Planned to Acquire (5 properties)

After the Earthquake occurred, IIF postponed the acquisition of 5 properties, and outside specialist carefully conducted the field survey. **After safety confirmation, IIF completed acquisition of 5 properties.**

Name of properties acquired in the 8th Period	Planned acquisition date (Initial)	Acquisition date
IIF Nagoya Logistics Center	March 14	March 14
IIF Yokohama Tsuzuki Logistics Center	March 14	March 18
IIF Atsugi Logistics Center II	March 14	March 22
IIF Saitama Logistics Center	March 14	March 24
IIF Narashino Logistics Center II (land with leasehold)	March 25	April 28

Interviewed with Each Tenant After the Earthquake

Plans to utilize results of the interviews with tenants in future location strategy and facility management

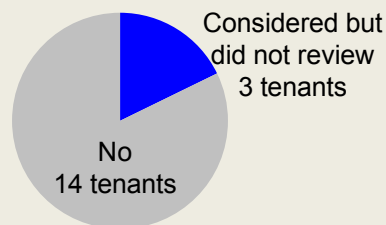
■ IIF interviewed 17 tenants and subtenants about the Earthquake by July 15, 2011.

▶ Results of interviews

Geographical strategy

Question:

Did you review the location strategy after the Earthquake?



Matters considered

- Relocation from bay area to inland area
- New base toward shift from consolidation to decentralization
- Review of the shipping area

Reasons for not reviewing

- No change in advantage of the bay area
- No change in the idea of cost-consciousness
- No change in the idea of effective shipping that focuses on location near consumption area

No change in the geographical strategy

Shortage of power supply

Question:

What kind of measures do you take to cope with shortage of power supply?

Answer

- Thinning out some lights, frequent lights-out, reduction of wattage and turning off outdoor lights and signs
- Setting air conditioners' temperature at 28°C and turning off unnecessary air conditioners
- Change of AC control method
- Shutdown of some passenger/freight elevators
- Energy saving by rotating operation, etc.
- Promotion of streamlining by consolidating work space in warehouses
- Installation of light-blocking sheet on windows
- Utilization of demand monitoring device

Various measures in the facility management

Inconvenience during the Earthquake

Question:

Did you experience any inconvenience when the Earthquake occurred?

Answer

- Need to secure a communication method
- Need to secure the safety of employees during blackout
- Need to secure the lifeline (water, toilet) to continue business

Need to secure lifeline

Investment Policy After the Earthquake

No change in positioning of tenants in bay area properties as well as potential tenants

No Change in Geography Strategy of Companies

Independent survey

The results of the independent interview showed there was no change in location strategy of tenant companies.

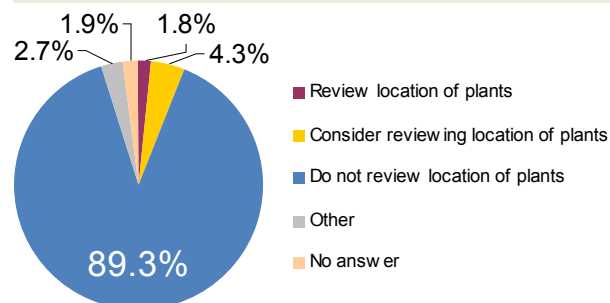
Survey by third party

No significant change was observed in location strategy of business corporations that are the target of proposal of CRE strategy.

Results of survey by third party

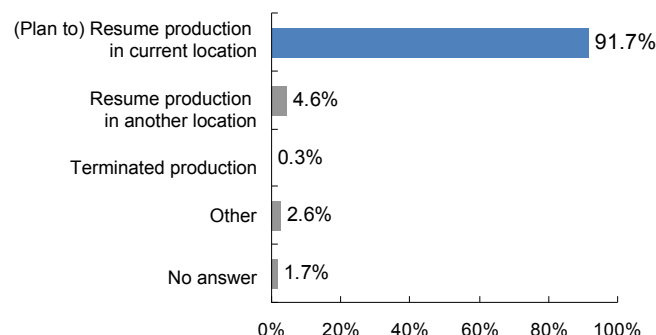
Effect on supply chain

“No plan to review location of factories”: 89.3%



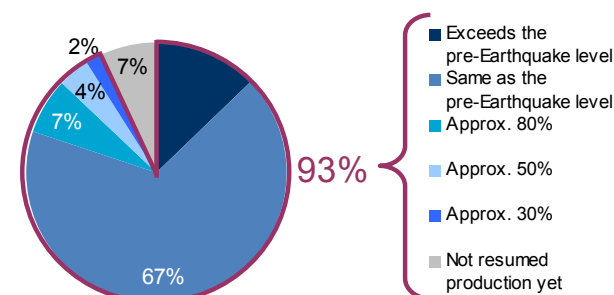
Future production

“Resume production in current location”: 91.7%



Current status of supply chain

93% of production bases directly damaged by the Earthquake and tsunami has recovered.



Source: About the Effects of the Great East Japan Earthquake and Power Shortage, etc. on Production Capacity
 Surveyed by Japan Industrial Location Center (extra-departmental body of METI (Ministry of Economy, Trade and Industry))
 Number of respondents: 943 companies
 Characteristics of respondents: Rate of response from companies located in Tohoku and Kitakanto Area: 30.4%
 Rate of response from companies not located in Tohoku and Kitakanto Area: 68.2%

Source: same as left
 Number of respondents: 315 companies (companies that stopped all or part of production due to the Earthquake)

Source: Urgent Survey on Actual Conditions of Industries after the Great East Japan Earthquake ②
 Respondents: 123 companies (manufacturers: 65, retail/service: 58)
 Surveyed by METI

Due Diligence Policy After the Earthquake

Conducts physical investigations more carefully and enhances risk control

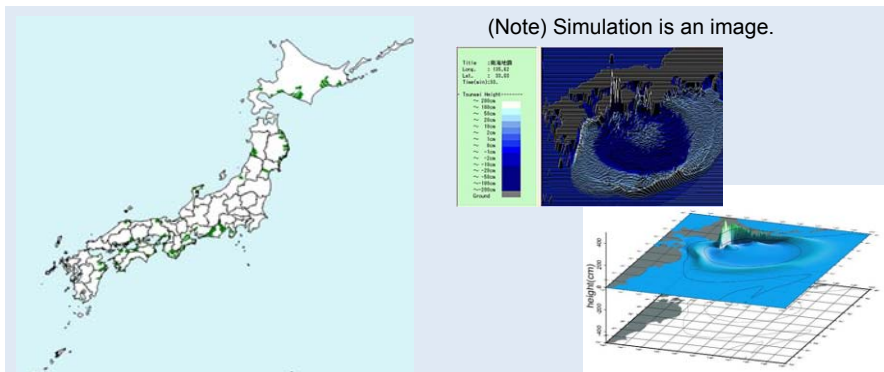
■ Response to Possible Physical Risk

Possibility of inundation damage by tsunami

- Physical investigation
- Confirmation of public information (hazard map, etc.)

+ the existing survey above

- Investigation by specialist depending on the situation
(Assessment of damage by assumed tsunami, etc.)



Confirmation of public information
(hazard map, etc.)

Source: Hazard Map Portal Site of MLIT
(Ministry of Land, Infrastructure,
Transport and Tourism)

Assessment of damage by
assumed tsunami

Source: HP of JMA
(Japan Meteorological Agency)

Possibility of liquefaction damage of outside ditch by earthquake

- Physical investigation
- Confirmation of public information (hazard map, etc.)

+ the existing survey above

- Investigation by specialist depending on the situation

Example of investigation: Conducted when acquiring Narashino LC II (land with leasehold)
In light of a partial damage to the outside ditch, IIF studied the ground and confirmed its safety.



Boring test



Underground radar search

Crisis Measures for Properties Owned

Supports tenants by securing a communication method and lifeline in emergency

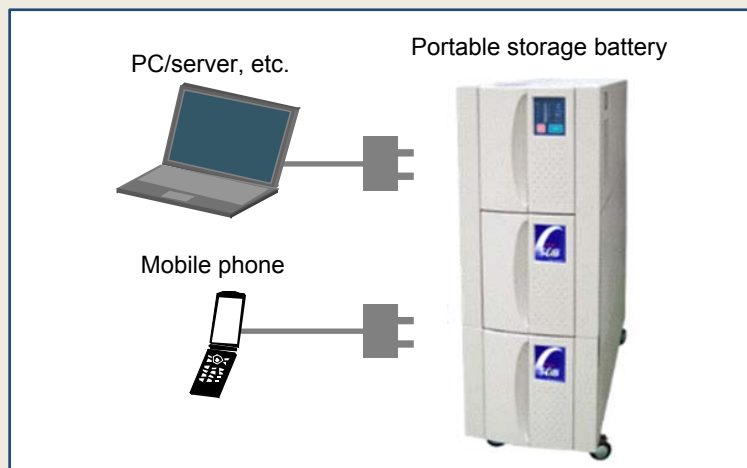
■ Installation of Portable Storage Battery

Install portable storage battery that has lithium-ion cell in all the properties owned (excluding land with leasehold) in order to first secure a communication method with outside

▶ Securement of a communication method during emergency

Secure a power source for servers and PCs as a communication method when a land-line phone is out of service, which allows connection to the Internet via a PC. It also allows a mobile phone to be charged.

▶ Communication devices can be used for approx. 5 hours by using a main unit battery during blackout (charging a main unit during ordinary times).



■ Provision of Infrastructure on a Preferential Basis

Measures to maintain infrastructure in order to secure lifeline right after an earthquake

Nikken Corporation Co., Ltd. provides infrastructure to IIF's tenants on a preferential basis depending on damages of all the properties owned (including land with leasehold).

▶ Allows support in terms of safety and operation until lifeline recovers



- Assurance of employees' security
- Secure minimum lifeline
- Support for recovery work
- Support for crime prevention



▶ Allows swift provision

(Service offices of Nikken Corporation Co., Ltd. are located near the properties owned.)



- → Property owned by IIF
- → Sales office of Nikken

4. Effects of the Great East Japan Earthquake (occurred on March 11, 2011) and Future Responses

Helping Solve the Problem of Power Shortage and Contributing to the Environment by Installing Environmental Load-Reducing Facilities

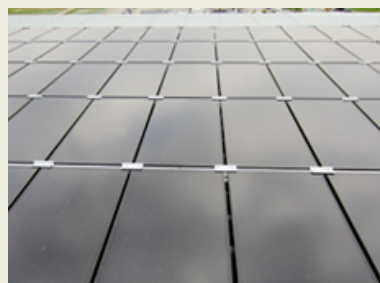
Achieves energy saving at Koshigaya Logistics Center

Measures Toward the System to Purchase All the Renewable Energy (utilization of renewable energy)

IIF launched a 10KW solar power system jointly with Tsukasa Co., Ltd., our tenant, from July 1, 2011. Output of electric power is all used in the facility.

Solar power system

Solar panel



Output of electric power: 10KW

Monitor to display output



Effect of installing solar power system

Saved electricity
Approx. **2.5%**/year (Note 1)

Saved petroleum
Approx. **2,513L**/year (Note 4)

Reduced CO2: Approx. **3,698 kg**/year (Note 2)
(amount of photosynthesis equivalent to **10,354 m²** of forest area) (Note 3)

Strategic Actions Toward Renovation to/Leasing of Energy-Saving Facilities (response to increasing environmental awareness of tenants)

In the renovation work in December 2010, energy-saving lighting and AC were installed to reduce power consumption (approx. 22.1%/year (Note 1)).

Installation of energy-saving lighting system

Energy-saving lighting



LED lighting



Effect of renovation work

Saved electricity
Approx. **22.1%**/year (Note 1)

Saved petroleum
Approx. **32,503L**/year (Note 6)

Reduced CO2: Approx. **40,940 kg**/year (Note 4)
(amount of photosynthesis equivalent to **114,630 m²** of forest area) (Note 5)

Installation of energy-saving AC

Energy-saving AC



Energy-saving AC



(Note 1) Estimate calculated based on the operating hours of each tenant as of June 30, 2011.

(Note 2, 3) Based on the "Industry-Level Self-Rule Regarding Disclosure (FY 2010)" published by Japan Photovoltaic Energy Association (JPEA).

(Note 4) Based on the "Guidebook on Solar Power Installation Revised Version in 2000" (New Energy and Industrial Technology Development Organization).
(CO2 absorption per 1ha of forest = (CO2 absorption of all the forest in Japan 24.545 million t-C ÷ Forest area in Japan 25.212 million ha) = 974kg-C/ha)

(Note 5) Based on the "(Notice) Concerning Disclosure of Actual Emission Factor/Adjusted Emission Factor, etc. by Electric Power Supplier in FY 2009" announced on December 27, 2010 (Ministry of the Environment).

(Note 6) Based on the data indicated in the "Law Concerning the Rational Use of Energy".

5. Overview of the Follow-on Offering in March 2011

Offering Highlights Acquisition of properties that enable improvement/ stabilization of dividend level

Summary of properties acquired

▶ Number of properties	: 5 properties	▶ Average NOI yield	: 6.9 %
▶ Total acquisition price	: 11,340 million yen	▶ Average NOI yield after depreciation	: 6.2 %
		▶ Average remaining lease term	: 16.4 years

List of properties acquired

IIF Narashino Logistics Center II (land with leasehold) (Note 1)



Tenant:
Mitsubishi UFJ Trust
and Banking Corporation
(Note 2)

Acquisition price : 3,350 million yen
NOI yield : 6.3%
NOI yield after depreciation : 6.3%
Remaining lease term (Note 3) : 50 years

IIF Atsugi Logistics Center II



Tenant:
Sun Toshi
Tatemono Co., Ltd.

Acquisition price : 3,100 million yen
NOI yield : 7.0%
NOI yield after depreciation : 6.2%
Remaining lease term : 1.4 years

IIF Yokohama Tsuzuki Logistics Center



Tenant:
Tokyo Logistics Factory
Co., Ltd.

Acquisition price : 2,350 million yen
NOI yield : 6.5%
NOI yield after depreciation : 5.5%
Remaining lease term : 13.0 years

IIF Saitama Logistics Center



Tenant:
MM Corporation

Acquisition price : 1,490 million yen
NOI yield : 8.2%
NOI yield after depreciation : 6.7%
Remaining lease term : 3.7 years

IIF Nagoya Logistics Center



Tenant:
DHL Supply Chain
Kabushiki Kaisya

Acquisition price : 1,050 million yen
NOI yield : 7.9%
NOI yield after depreciation : 7.3%
Remaining lease term : 3.0 years

Note : NOI yield, NOI yield after depreciation and remaining lease term are assumptions at the time of acquisitions.

(Note 1) IIF only acquired land. (above photos including assets other than those owned by IIF)

(Note 2) As requested by the building beneficiary, the beneficiary of the building was changed from Mizuho Trust & Banking Co., Ltd. to Mitsubishi UFJ Trust and Banking Corporation on June 10, 2011.

(Note 3) Fixed-term land lease for commercial property signed between Mizuho Trust & Banking Co., Ltd. at the date of acquisition was transferred to Mitsubishi UFJ Trust and Banking Corporation due to the change of the building beneficiary.

(Note 4) Contracted 3 years fixed-term building lease contract with DHL Supply Chain K.K on March 14, 2011.

(Note 5) Figures are rounded down to the shown digits otherwise noted, and ratios are rounded off.

(Note 6) Pictures of properties are not just limited to IIF's portfolio. In particular, for "land with leasehold" properties, please note that IIF only owns the land.

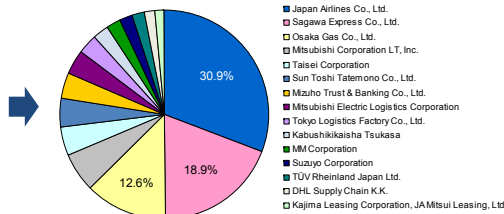
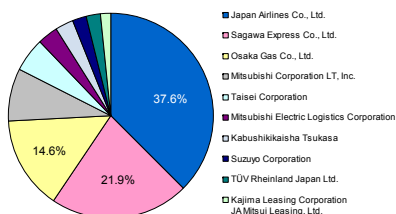
Offering Highlights Implementation of the strategy that aims at growth with stable dividends

We aim improvement/stabilization of dividend level by increasing profitability as well as financial stability of portfolios.

Asset

External growth strategy that realizes improvement of profitability and quality of portfolios

	Before offering ^{*1}		Follow-on offering ^{*2}		Post-offering ^{*3}
• Number of Properties	11	+	5	→	16
• Total acquisition price	96,900 million yen	+	11,340 million yen	→	108,240 million yen
• Average NOI yield	5.0%	+	6.9%	→	5.3%
• Average NOI yield after depreciation	3.8%	+	6.2%	→	4.2%
• Average remaining lease term	11.9yrs	+	16.4yrs	→	12.3yrs
• Change in portfolio diversification of tenants <% by tenant (annual-rent-basis)>	<div> <div><Before offering>^{*1}</div> <div><Post-offering>^{*2}</div> </div>				



Debt

Financial strategy that focuses on improvement of financial stability and control of debt cost

	Before offering ^{*1}		Post-offering ^{*3}
• LTV	49.5%	→	47.8%
• Long-term debt ratio	79.8%	→	98.2%
• Fixed debt ratio	3.4%	→	25.0%

Equity

Improvement/stabilization of dividend level and sustainable growth of unitholder value

	Before offering	Follow-on offering during the period (contribution for 3 months)	Post-offering (contribution for 6 months)
	Period ended December 2010 (7th period) (actual)	Period ended June 2011 (8th period) (actual)	Period ending December 2011 (9th period) (forecast)
• Dividend per unit	10,102 yen	10,919 yen	12,285 yen
		Period-over-7th period 8.1% up	Period-over-7th period 21.6% up

*1 Actual at the period ended December 2010 (7th period)

*2 Forecast at the time of acquisition of 5 properties

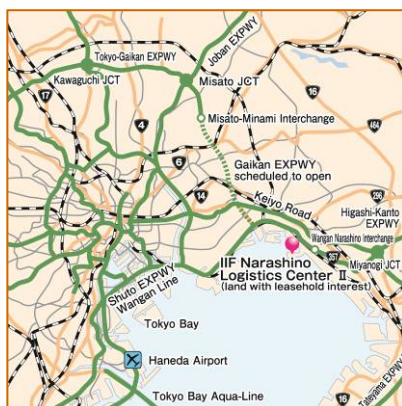
*3 Actual at the period ended June 2011 (8th period)

IIF Narashino Logistics Center II (land with leasehold)

Property acquired in the 8th period

L-10 IIF Narashino Logistics Center II (land with leasehold)

Logistics Center



Acquisition price	NOI yield	NOI yield after depreciation
3,350 million yen	6.3 %	6.3 %
Appraisal value	3,760 million yen	
Location	6-4, Akanehama 3-chome, Narashino-shi, Chiba	
Land area	58,070㎡	Total floor area —
Type of contract	Fixed-term land lease for commercial property (until March 23, 2061)	
Seller	Industrial Akanehama, LLC	
Name of tenant	Mitsubishi UFJ Trust and Banking Corporation (Note 1)	

(Note 1) As requested by the building beneficiary, the beneficiary of the building was changed from Mizuho Trust & Banking Co., Ltd. to Mitsubishi UFJ Trust and Banking Corporation on June 10, 2011.

Acquisition Highlights

Acquisition method

CRE proposal to seller

Exclusive Deal

Collaboration between IIF and Mitsubishi Corporation

Acquired in accordance with the proposed solution in collaboration with Mitsubishi Corporation Ltd. and LaSalle Investment Management Ltd. in response to the needs of Sapporo Breweries Ltd. to streamline their distribution functions and liquidate their assets. Sapporo Breweries Ltd. will continue to use the facility for the next 2 years. Meanwhile IIF, Mitsubishi Corporation Ltd. and LaSalle Investment Management Ltd. signed a project master agreement on redevelopment in April 2011 for redevelopment after the agreement expires. Our investment corporation plans to receive the same amount of ground rent during the redevelopment period as the owner of the occupied land and has agreed to discuss revisions of the ground rent following the redevelopment, and the ground rent is therefore expected to increase in accordance with the increase in profitability. Upon acquisition of the property concerned, we will use the warehousing functions of Mitsubishi Corporation Ltd. and the development functions of the same for redevelopment.

Sustainability

We are planning to enter into a 50-year fixed-term lease agreement for business use with Mizuho Trust and Banking Co., Ltd. under condition of conducting redevelopment following the maturity of the contract period in regards to the agreement with Sapporo Breweries Ltd. which is the end tenant at present, to seek stable rent income and increase in ground rent following the redevelopment. While the floor area ratio of the current building is limited to approximately 53% which is approximately one-fourth of the statutory floor area ratio of 200%, rebuilding of a larger distribution center is considered to be possible through redevelopment.

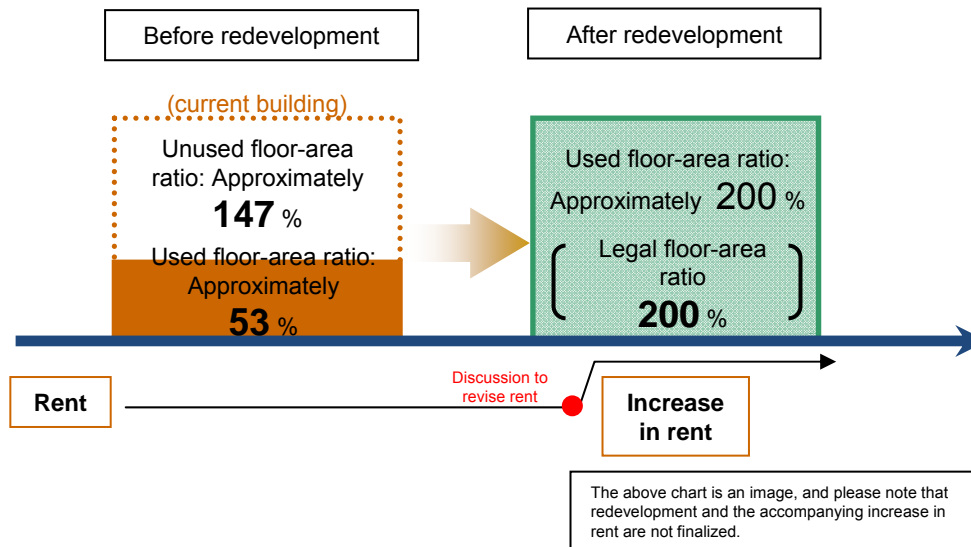
Versatility

Akanehama in Narashino City offers good access to the Higashi-Kanto Expressway, National Highway 357 which runs parallel to the Expressway and Keiyo Road, and functions as a major base which covers central Tokyo and the greater metropolitan area. There are major logistics bases such as Nippon Express, Start Today Co, Ltd. and Jupiter Shop Channel Co, Ltd. located in the peripheral areas of the property and demand for major distribution facilities can thus be expected.

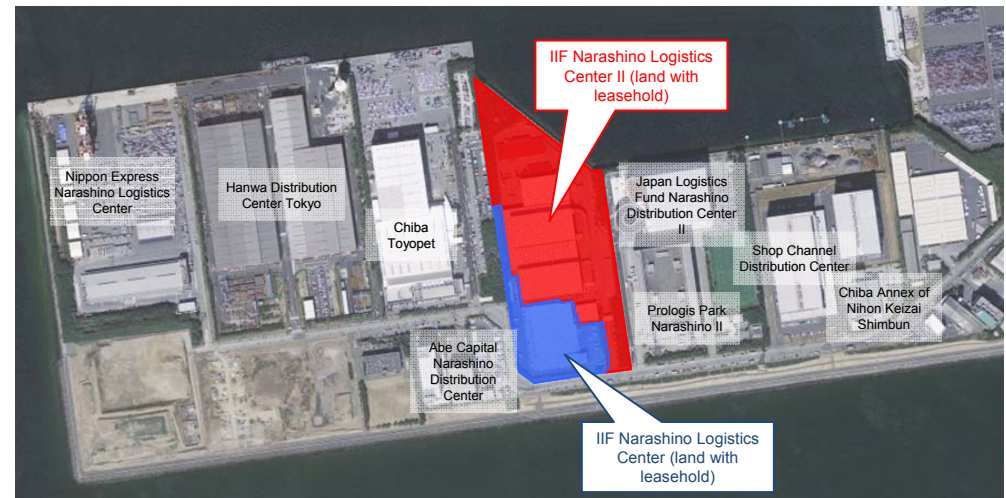
IIF Narashino Logistics Center II (land with leasehold)

Property acquired in the 8th period

Image of redevelopment (Note)



<Aerial photo>



(Source: Pasco Corporation)

Points of project master agreement and process flow of redevelopment

- ✓ LaSalle Investment Management (LIM) to conduct pre-marketing such as understanding needs of logistics customers in order to formulate a redevelopment plan.
- ✓ IIF, LIM and Mitsubishi Corporation discuss a redevelopment plan based on the pre-marketing.

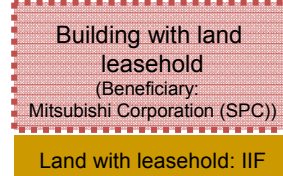
When redevelopment is decided, Mitsubishi Corporation (or SPC organized by Mitsubishi Corporation) to acquire the existing building with land leasehold and to lead dismantlement of the existing building as well as redevelopment.

Mitsubishi Corporation to transfer the building with land leasehold to SPC organized by LIM (TMK) 1 year after the completion of construction of a new building.

Current to December 21, 2012



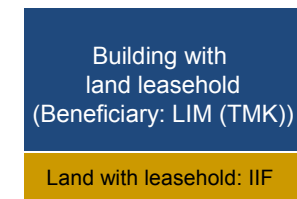
Dismantlement of the building after Sapporo Breweries Ltd. vacates



Redevelopment and completion of a new center by Mitsubishi Corporation



Stable operation



Rent

Increase in rent

The above chart is intended to illustrate a flow of a project master agreement, and please note that redevelopment and the accompanying increase in rent are not finalized.

IIF Atsugi Logistics Center II

Property acquired in the 8th period

L-11 IIF Atsugi Logistics Center II

Logistics Center



Acquisition price	NOI yield	NOI yield after depreciation	
3,100 million yen	7.0%	6.2%	
Appraisal value	3,180 million yen		
Location	602-9, Funako, Atsugi-shi, Kanagawa		
Land area	11,599.65㎡	Total floor area	22,068.60㎡
Type of contract	Building lease for normal property (until August 31, 2012 and update every five years after that)		
Seller	Odakyu Electric Railway Co., Ltd.		
Name of tenant	Sun Toshi Tatemono Kabushiki Kaisha		

Acquisition Highlights

Acquisition method

CRE proposal to seller

Exclusive Deal

Collaboration with Sponsor

Property with an excellent location acquired under a mutual transaction through a proposed solution after promptly obtaining information regarding the CRE strategies (non-core asset divestiture needs and financial needs) of Odakyu Electric Railway Co., Ltd.

Sustainability

The property is used by PFU Quality Service Ltd. (one of the end tenants), a subsidiary of Fujitsu Limited, as its head office and business office. The property plays an important role for the company as the base for various support and services extending from introducing IT-related equipment to after-sales services.

Versatility

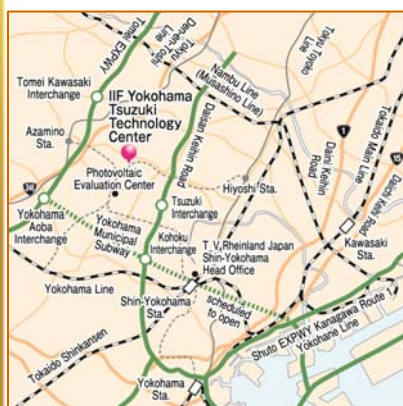
The areas peripheral to the Atsugi Interchange of the Tokyo-Nagoya Expressway can be said to be a regional management base which enables logistics for the Tama region in addition to those for Western Tokyo, Kawasaki, and central Yokohama regions, and functions as the relay point between the Chubu and Kinki regions with the central metropolitan area and the gateway for the West. The rent levels are inexpensive as compared with the harbor areas, there are more large-scale properties than other areas and major bases of companies such as Nissan Motor Co., Ltd., Sony Corporation, and Fuji Xerox Co., Ltd. are located in the peripheral areas of the Atsugi interchange. The property is located approximately 5 minutes by car from the Atsugi interchange of the Tokyo-Nagoya Expressway, offering good access to the main roads and located in an area with high potential as a distribution base. The property is a six-story building with a total floor space of 22,000㎡, it has truck berths installed on the 1st and 3rd floor, and it is relatively convenient even for multi-tenants.

IIF Yokohama Tsuzuki Logistics Center

Property acquired in the 8th period

L-12 IIF Yokohama Tsuzuki Logistics Center

Logistics Center



Acquisition price	NOI yield	NOI yield after depreciation	
2,350 million yen	6.5%	5.5%	
Appraisal value	2,580 million yen		
Location	747, Minamikochi, Kawamukou-cho, Tsuzuki-ku, Yokohama-shi, Kanagawa		
Land area	5,088.48㎡	Total floor area	9,562.26㎡
Type of contract	Fixed-term building lease (until March 31, 2024)		
Seller	J-Rep M		
Name of tenant	Tokyo Logistics Factory Co., Ltd.		

Acquisition Highlights

Acquisition method

Proposal for solution corresponding to CRE strategy

Exclusive Deal

Collaboration with Sponsor

We acquired a scarce property located in an area with limited offerings of new properties and stable demand in use of our independent acquisition network and avoidance of competition. A long-term stable rent income evidenced by a long-term agreement with the tenant can be expected.

Sustainability

Tokyo Logistics Factory Co., Ltd., the tenant, has been the leaseholder for the property since 1998 including its use under its former name of Tokyo System Transportation Ltd., and has entered into a 15-year fixed-term lease agreement in regards to the property concerned (approximately 8 years of midterm cancellation prohibition period remaining, approximately 13 years of lease agreement remaining) in 2009 under condition of long-term use.

Tokyo Logistics Factory Co., Ltd. is a company established on October 1, 2010 as result of an inter-group reorganization by Tokyo System Transportation Holdings Inc., which takes charge of the warehousing business of the group.

Versatility

The property is located adjacent to the Daisan Keihin Road Kohoku interchange and is one of the few distribution areas in the Yokohama inland region. The location is able to meet distribution needs for beverage, cosmetics and healthcare industries neighboring the consumer areas and manufacture and distribution needs of neighboring precision equipment manufacturers that support the major manufacture plants of companies such as Panasonic Mobile Communications Ltd. and various companies of the NEC Group, and is highly scarce and has stable tenant demand amid the decrease in locations suitable for distribution due to the promotion of development of commercial facilities and homes.

The property is a major distribution center with a total floor space of 9,500 m² and 1 vertical conveyor and 3 elevators installed. The distribution center is a 5-story building (4 warehousing layers) making full use of the land, and it can be conveniently used to serve a broad range of requirements and enjoys an excellent location and high commonality.

IIF Saitama Logistics Center

Property acquired in the 8th period

L-13 IIF Saitama Logistics Center

Logistics Center



■ Acquisition Highlights

Acquisition method

Proposal for solution corresponding to CRE strategy

Exclusive Deal

Collaboration with Sponsor

We acquired a property in an excellent location through capturing the portfolio strategy of a foreign investment fund intending to focus on management of assets of its home country thereby seeking to divest the property in question, which is the only foreign property owned by the fund. The acquisition made under a mutual transaction, based on the high evaluation by the seller of the credibility of our investment corporation, managed by an asset management company for which Mitsubishi Corporation is one of the sponsors.

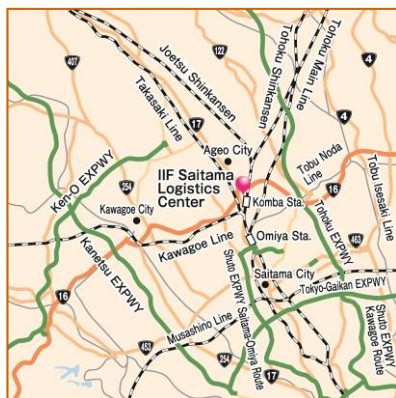
■ Sustainability

MM Corporation, which is a Medipal Holdings Corporation group company, conducts its operations as the delivery base for medical materials for multiple university hospitals in the metropolitan area and regional medical support hospitals. Additionally, the company's Saitama branch, which is the base of its sales operations, is located in a separate building, and high continuity as a facility to support the company's delivery business with high mobility can thus be expected.

■ Versatility

The property offers good access to National Highway 16, which is a belt line for the metropolitan area, and good access to National Highway 17 which longitudinally runs across Saitama Prefecture. As the property is located in between the Tohoku Expressway and Kanetsu Expressways, it also offers easy regional access from both expressways. Additionally, Omiya Station can be reached by car in less than 15 minutes and offers one of the best locations within Saitama City. As there are many residents in the peripheral areas and the location is walking distance from the nearest railway station, the property can also be considered to be advantageous from the standpoint of recruiting employees.

The property offers standard specifications with 8,600m² in total floor space, a floor load of 1.5 t/ m² and 3 elevators and can thus be contemplated to respond to distribution needs of not only medical products but also a broad range of consumer products including beverages (dry), confectionery, apparel, and toiletry in consideration of its closeness to major consumer areas and its ability to cover the whole of the metropolitan area. Additionally, distribution bases and sales bases can be set up next to one another as the property also offers a separate building tower.



Acquisition price	NOI yield	NOI yield after depreciation
1,490 million yen	8.2%	6.7%
Appraisal value	1,700 million yen	
Location	398-3 etc., Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	
Land area	4,545.49m ²	Total floor area 8,610.44m ²
Type of contract	Building lease for normal property (until November 30, 2014)	
Seller	Bayside, LLC	
Name of tenant	MM Corporation	

IIF Nagoya Logistics Center

Property acquired in the 8th period

L-14 IIF Nagoya Logistics Center

Logistics Center



Acquisition price	NOI yield	NOI yield after depreciation
1,050 million yen	7.9%	7.3%
Appraisal value	1,100 million yen	
Location	27 etc., Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	
Land area	8,321.51㎡	Total floor area 8,721.01㎡
Type of contract	Fixed-term building lease (until March 13, 2014) (Note)	
Seller	Taiheiyo Cement Corporation	
Name of tenant	DHL Supply Chain Kabushiki Kaisha	

■ Acquisition Highlights

Acquisition method

CRE proposal to seller and tenant

Use of original network

Collaboration with Sponsor

We provided a solution which enables stable management through long-term ownership by our investment corporation in response to the needs for continued use by DHL Supply Chain Ltd. which highly evaluates the superiority of the location and convenience of the building, while responding to the CRE strategy (divestiture of non-core assets) of Taiheiyo Cement Ltd. Additionally, the property became the first property acquired by our investment corporation in the Nagoya region.

■ Sustainability

DHL Supply Chain Ltd., while using the property as the distribution base for personal computers and peripheral equipment for office use in the central locations of Nagoya City, also uses the property as a distribution center for precision equipment of major electrical appliance companies which position the Tokai and Hokuriku regions as their logistic areas. Additionally, as the property serves as one of the important bases for the company through use as an after-sales service base for customers within Nagoya City, we consider high continuity to be expected.

■ Versatility

The property is adjacent to the center of Nagoya City being located approximately 6 km from JR Nagoya Station, in a very convenient location contributing to the reduction in lead time from a distribution standpoint with proximity to various pieces of distribution infrastructure such as the harbor and highway interchanges. Nagoya Highway Kogane interchange, Sennonji interchange and Tomeihan Expressway Ohharuminami interchange are all located approximately 15 minutes away by car, and the location can be considered to enable regional logistics for peripheral cities. While there are mid-size to small warehouses and plants located in peripheral areas, mid-large warehouses with a space of over 3,306㎡ (1,000 tsubo) are limited to offices owned by the companies themselves and the scarcity of large scale facilities can thus be considered to be high. The property has a total floor space of 8,700㎡, with 1 freight elevator. The specifications, unlike major superior facilities which generally enjoy high commonality, are limited to those for tenants mainly require transfer centers related to inspection and sorting logistics, and not for inventory storage. It has a floor load capacity of 1 t/㎡ for the 1st floor and 400 kg/㎡ for the 2nd floor. It also has a sufficient number of truck berths and thus can be considered to present no specific concerns in regards to the operations within the site.

6. Appendix

Portfolio (owned as of the end of the 8th period)

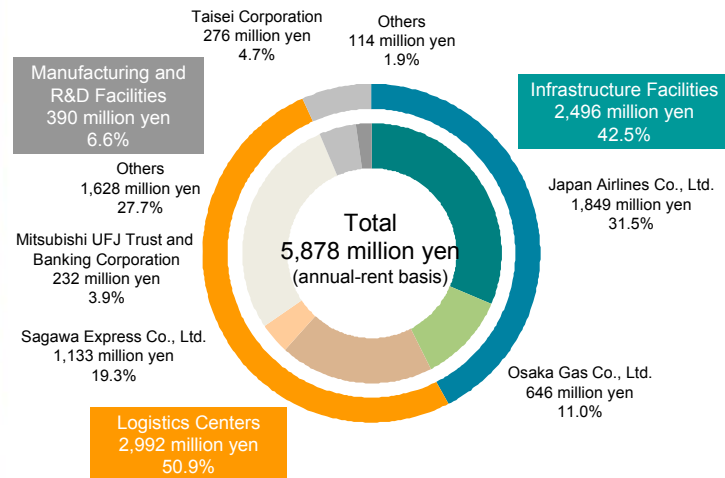
▶ IIF investment in industrial and infrastructure properties that are used in the mid and long term as the foundation of industrial activity

	Target investment ratio	Asset type	Properties					
			Tokyo Area (Investment Ratio: 82.7%)				Nagoya Area (Investment Ratio:1.0%)	Osaka Area (Investment Ratio:16.2%)
Industrial Properties	50%~80%	<u>Industrial facilities</u> Portfolio: 12 properties Total Asset Amount : 46,290 mil yen (Note) Investment Ratio : 43.6%	 IIF Shinonome Logistics Center	 IIF Noda Logistics Center	 IIF Shinsuna Logistics Center	 IIF Atsugi Logistics Center	 IIF Nagoya Logistics Center	 IIF Nishinomiya Logistics Center
		 IIF Koshigaya Logistics Center	 IIF Narashino Logistics Center (land with leasehold)	 IIF Narashino Logistics Center II (land with leasehold)	 IIF Atsugi Logistics Center II			
	<u>Manufacturing and R&D facilities</u> Portfolio : 2 properties Total Asset Amount : 6,000 mil yen (Note) Investment Ratio : 5.7%	 IIF Yokohama Tsuzuki Logistics Center	 IIF Saitama Logistics Center					
Infrastructure Properties	20%~50%	<u>Infrastructure facilities</u> Portfolio : 2 properties Total Asset Amount : 53,800 mil yen (Note) Investment Ratio : 50.7%	 IIF Totsuka Technology Center (land with leasehold)	 IIF Yokohama Tsuzuki Technology Center				
			 IIF Haneda Airport Maintenance Center				 IIF Kobe District Heating and Cooling Center	
Total	16 properties Total Portfolio Amount: 106,090 mil yen (Note)							

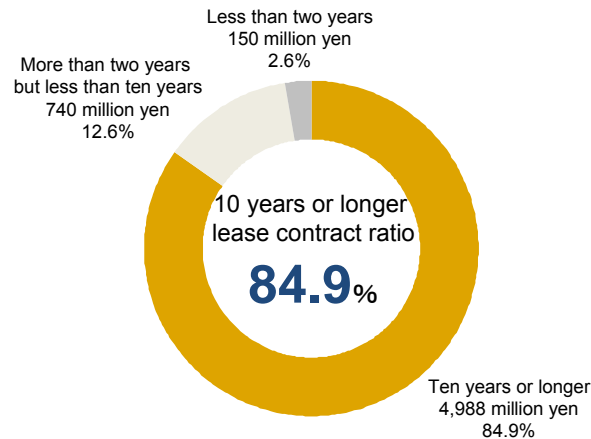
(Note) Based on appraisal value as of June 30, 2011

Lease Contracts with Tenants

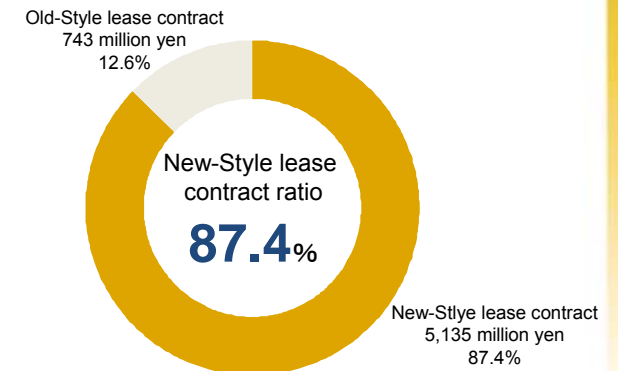
Rent by Tenant (%)



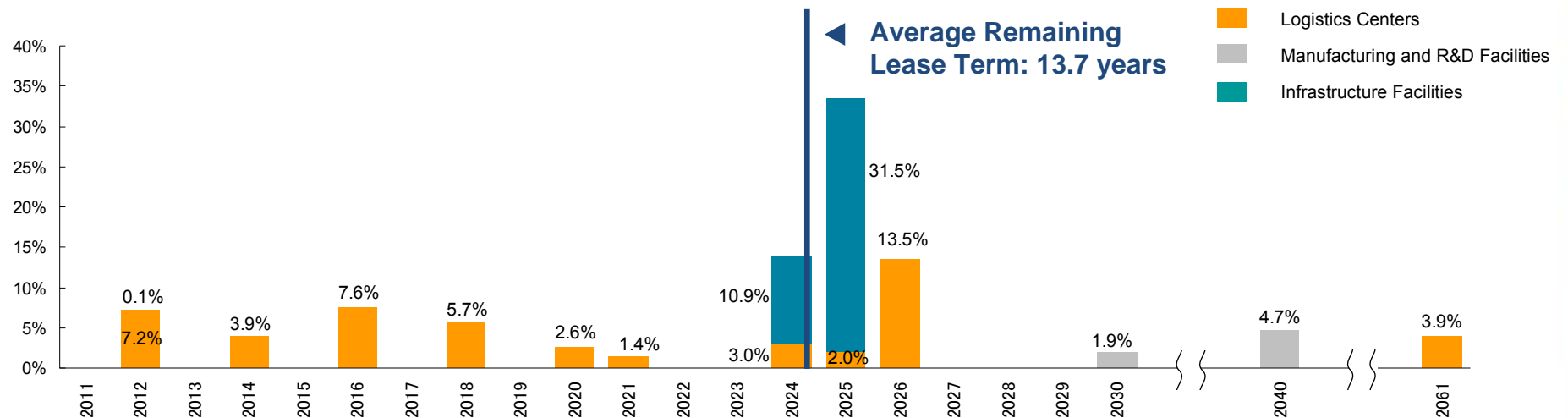
By Lease-term (annual-rent basis)



By New-Style lease contract / Old-Style lease contract (annual-rent basis)



Distribution of Contract Expiration Period for Rent Income (Note 4)



(Note 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 resulting amount to the nearest million (for a property for which multiple lease agreements are signed, the total monthly rent).

(Note 2) Figures for Contract Lease Term and Annual Rent used are those as of August 11, 2011.

(Note 3) Percentages represent the ratio of annual rent for each tenant against the aggregate for all tenants. Each figure is rounded to the first decimal point.

(Note 4) The base date is June 30, 2011. The average residual period of the leasehold contract on a rent-weighted average basis.

Lease Contracts of Properties owned

Lease Contracts of Properties owned

Asset Category	Property Number (Note 1)	Name of Property	Name of Tenants	Type of Contract	Lease Period	Remaining Lease Period (Note 2)
Logistics Centers	L-1	IIF Shinonome Logistics Center	Sagawa Express Co., Ltd.	New-Style Lease	20 years	14 years and 8 months
	L-4	IIF Noda Logistics Center	1) Mitsubishi Electric Logistics Corporation 2) Mitsubishi Corporation LT, Inc.	New-Style Lease	1) 5 years 2) 10 years	1) 4 years and 10 months 2) 4 years and 10 months
	L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	Old-Style Lease	20 years	7 years
	L-6	IIF Atsugi Logistics Center	Mitsubishi Corporation LT, Inc. (until Dec. 31, 2011) Stream Co., Ltd. (from Jan. 1, 2012)	New-Style Lease	1 years (Note 3)	1 year (Note 3)
	L-7	IIF Koshigaya Logistics Center	kabushikigaisya Tsukasa	New-Style Lease	10 years	9 years and 6 months
	L-8	IIF Nishinomiya Logistics Center	Suzuho Corporation	New-Style Lease	20 years	14 years and 2 months
	L-9	IIF Narashino Logistics Center (land with leasehold)	Kajima Leasing Corporation JA Mitsui Leasing, Ltd.	New-Style Lease	20 years	10 years and 2 months
	L-10	IIF Narashino Logistics Center II (land with leasehold)	Mitsubishi UFJ Trust and Banking Corporation	New-Style Lease	50 years	49 years and 11 months
	L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	Old-Style Lease	5 years	1 year and 2 months
	L-12	IIF Yokohama Tsuzuki Logistics Center	Tokyo Logistics Factory Co., Ltd.	New-Style Lease	15 years	12 years and 10 months
	L-13	IIF Saitama Logistics Center	MM Corporation	Old-Style Lease	7 years and 6 months	3 years and 4 months
	L-14	IIF Nagoya Logistics Center	DHL Supply Chain Kabushiki Kaisya	New-Style Lease	3 years	2 years and 8 months
Manufacturing and R&D Facilities	F-1	IIF Totsuka Technology Center (land with leasehold)	Taisei Corporation	New-Style Lease	30 years	28 years and 10 months
	F-2	IIF Yokohama Tsuzuki Technology Center	TÜV Rheinland Japan Ltd.	New-Style Lease	22 years	19 years and 4 months
Infrastructure Facilities	I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	New-Style Lease	1) 12 years and 11 months (Note 4) 2) 4 years and 2 months 3) 2 years and 1 months	1) 12 years and 11 months (Note 4) 2) 11 months 3) 11 months
	I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	New-Style Lease	15 years 4 months	14 years and 6 months

【Atsugi LC】
Started to prepare for leasing to make a new contract from July 2012

【Kobe DHC】
Working on the revision of contract expired in June 2012

(Note 1) "Property Number" represents the number of assigned to each asset owned by IIF by category: L for logistics facilities, F for manufacturing and R&D facilities and I for infrastructure facilities.

(Note 2) "Remaining Lease Period" is computed with the base date of June 30, 2011. In case of there are multiple expiry dates under a contract, the remaining lease period for each contracted expiry is indicated.

(Note 3) The remaining lease term includes the lease agreement with Mitsubishi Corporation LT, Inc. (remaining lease term: 5 months) and with Stream Co., Ltd. (remaining lease term: 6 months).

(Note 4) The remaining lease term includes the existing agreement with Osaka Gas Co., Ltd. (remaining lease term: 11 months) and the lease agreement signed as of August 10, 2011 (agreement term: 6 months).

Portfolio List

Portfolio List

Asset Category	Property Number (Note 1)	Name of Property	Location	Date Completed (Note 2)	Acquisition Price (million yen)		Cap Rate When Acquired (Note 3)	Appraisal Value as of the End of Period (million yen) (Note 4)		Total Leasable Area (Note 5)	Occupancy Rate (Note 6)	PML (Note 7)	
						Percentage			Percentage				
Logistics Centers	L-1	IIF Shinonome Logistics Center (Note 8)	Koto-ku, Tokyo	February 2006	13,700	12.7%	5.3%	14,000	13.2%	27,493.29㎡	100.0%	4.6%	
	L-4	IIF Noda Logistics Center	Noda-shi, Chiba	March 2006	6,500	6.0%	6.0%	6,490	6.1%	38,828.10㎡	100.0%	0.3%	
	L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	June 1998	5,300	4.9%	5.5%	5,710	5.4%	5,741.75㎡	100.0%	6.4%	
	L-6	IIF Atsugi Logistics Center	Atsugi-shi, Kanagawa	January 2005	2,100	1.9%	6.2%	2,140	2.0%	10,959.68㎡	100.0%	8.7%	
	L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	September 1985	2,000	1.8%	6.7%	2,200	2.1%	10,113.50㎡	100.0%	2.6%	
	L-8	IIF Nishinomiya Logistics Center	Nishinomiya-shi, Hyogo	May 1997	1,300	1.2%	7.4%	1,430	1.3%	10,608.00㎡	100.0%	9.1%	
	L-9	IIF Narashino Logistics Center (land with leasehold)	Narashino-shi, Chiba	—	1,190	1.1%	6.3%	1,970	1.9%	19,834.71㎡	100.0%	—	
	L-10	IIF Narashino Logistics Center II (land with leasehold)	Narashino-shi, Chiba	—	3,350	3.1%	6.3%	3,770	3.6%	58,070.00㎡	100.0%	—	
	L-11	IIF Atsugi Logistics Center II	Atsugi-shi, Kanagawa	October 1992	3,100	2.9%	7.0%	3,190	3.0%	20,661.13㎡	100.0%	7.6%	
	L-12	IIF Yokohama Tsuduki Logistics Center	Yokohama-shi, Kanagawa	September 1998	2,350	2.2%	6.5%	2,580	2.4%	9,464.03㎡	100.0%	8.7%	
	L-13	IIF Saitama Logistics Center	Saitama-Shi, Saitama	December 1989	1,490	1.4%	8.2%	1,700	1.6%	8,995.00㎡	100.0%	4.2%	
	L-14	IIF Nagoya Logistics Center	Nagoya-shi, Aichi	April 1990	1,050	1.0%	7.9%	1,110	1.0%	8,721.01㎡	100.0%	8.7%	
	Subtotal					43,430	40.1%	6.1%	46,290	43.6%	229,490.20㎡	100.0%	—
	Manufacturing and R&D Facilities	F-1	IIF Totsuka Technology Center (land with leasehold)	Yokohama-shi, Kanagawa	—	4,500	4.2%	6.1%	4,760	4.5%	31,442.47㎡	100.0%	—
F-2		IIF Yokohama Tsuduki Technology Center	Yokohama-shi, Kanagawa	February 1996	1,100	1.0%	7.3%	1,240	1.2%	4,655.48㎡	100.0%	3.3%	
Subtotal					5,600	5.2%	6.3%	6,000	5.7%	36,097.95㎡	100.0%	—	
Infrastructure Facilities	I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	April 1990	18,100	16.7%	3.8%	15,800	14.9%	11,189.36㎡	97.5%	4.2%	
	I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	June 1993	41,110	38.0%	4.7%	38,000	35.8%	81,995.81㎡	100.0%	M1 : 4.5% M2 : 3.2%	
	Subtotal					59,210	54.7%	4.4%	53,800	50.7%	93,185.17㎡	99.7%	—
Portfolio Total					108,240	100.0%	5.2%	106,090	100.0%	358,773.32㎡	99.9%	3.1%	

(Note 1) The Property Number represents the number assigned to each asset owned by IIF by category: L for logistics facilities, F for manufacturing and R&D facilities and I for infrastructure facilities.

(Note 2) The Date Completed is the year and month when each new property was recorded in the registry book.

(Note 3) The Cap Rate When Acquired is derived by dividing the net operating income used in calculating the price at acquisition under the direct reduction approach indicated in the appraisal report by the acquisition price and rounding off to the nearest tenth.

(Note 4) The Appraisal Value as of the End of Period represents the value as of June 30, 2011.

(Note 5) The Total Leasable Area represents the leasable area relating to the building provided in each leasehold contract.

(Note 6) The Occupancy Rate is rounded to the nearest tenth.

(Note 7) The PML is the figure as February, 2011. The PML for IIF Haneda Airport Maintenance Center represents the data for M1 and M2 respectively.

(Note 8) For IIF Shinonome Logistics Center, the total leasable area provided in the lease contract was multiplied by 53% (the proportion of quasi-ownership of the trust beneficiary certificates).

The calculated value is the appraisal value for the 53% quasi-ownership ratio of the beneficiary right. The total leasable area was rounded to the nearest tenth.

Appraisal Status

Appraisal Yields

Asset Category	Property Number (Note 2)	Name of Property	For the Period Ended June 2011 (8th Period)							(Reference) For the Period Ended December 2010 (7th Period)				
			Book Value (million yen)	Appraisal Value as of the End of Period (million yen)			Cap Rate by Direct Approach	Discount Rate by DCF Method	Final Cap Rate by DCF method	Book Value (million yen)	Appraisal Value as of the End of Period (million yen)	Cap Rate by Direct Approach	Discount Rate by DCF Method	Final Cap Rate by DCF method
				Appraisal Value	Period-Over -Period	Period-Over -Period (%)								
Logistics Center	L-1	IIF Shinonome Logistics Center (Note 3)	13,492	14,000	0	0.0%	5.3%	4.9%	5.5%	13,539	14,000	5.3%	4.9%	5.5%
	L-4	IIF Noda Logistics Center	6,130	6,490	-80	-1.2%	5.9%	5.7%	6.1%	6,189	6,570	5.9%	5.7%	6.1%
	L-5	IIF Shinsuna Logistics Center	5,339	5,710	-10	-0.2%	5.2%	5.0%	5.1%	5,344	5,720	5.2%	5.0%	5.1%
	L-6	IIF Atsugi Logistics Center	1,890	2,140	0	0.0%	6.1%	5.6%	6.4%	1,922	2,140	6.1%	5.6%	6.4%
	L-7	IIF Koshigaya Logistics Center	1,987	2,200	40	1.9%	6.0%	5.7%	6.1%	1,989	2,160	6.0%	5.7%	6.1%
	L-8	IIF Nishinomiya Logistics Center	1,249	1,430	0	0.0%	6.3%	6.0%	6.5%	1,260	1,430	6.3%	6.0%	6.5%
	L-9	IIF Narashino Logistics Center (land with leasehold)	1,223	1,970	10	0.5%	—	5.5%	—	1,223	1,960	—	5.5%	—
	L-10	IIF Narashino Logistics Center II (land with leasehold)	3,435	3,770	10	0.3%	5.7%	4.6%	6.4%	—	3,760	5.7%	4.6%	6.4%
	L-11	IIF Atsugi Logistics Center II	3,270	3,190	10	0.3%	5.8%	5.5%	6.1%	—	3,180	5.8%	5.5%	6.1%
	L-12	IIF Yokohama Tsuzuki Logistics Center	2,446	2,580	0	0.0%	5.7%	5.5%	5.9%	—	2,580	5.7%	5.5%	5.9%
	L-13	IIF Saitama Logistics Center	1,552	1,700	0	0.0%	6.3%	6.0%	6.6%	—	1,700	6.3%	6.0%	6.6%
	L-14	IIF Nagoya Logistics Center	1,084	1,110	0	0.0%	6.5%	6.2%	6.8%	—	1,110	6.5%	6.2%	6.8%
	Subtotal			43,102	46,290	-20	-0.0%				31,469	46,310		
Manufacturing and R&D Facilities	F-1	IIF Totsuka Technology Center (land with leasehold)	4,553	4,760	10	0.2%	—	6.0%	—	4,553	4,750	—	6.0%	—
	F-2	IIF Yokohama Tsuzuki Technology Center	1,193	1,240	—	0.0%	5.8%	5.9%	6.3%	1,165	1,240	5.8%	5.9%	6.3%
	Subtotal			5,746	6,000	10	0.2%				5,718	5,990		
Infrastructure Facilities	I-1	IIF Kobe District Heating and Cooling Center	17,828	15,800	-200	-1.3%	4.8%	3.7%	4.8%	17,952	16,000	4.7%	3.7%	4.7%
	I-2	IIF Haneda Airport Maintenance Center	41,326	38,000	0	0.0%	4.7%	3.8%	5.2%	41,564	38,000	4.7%	3.8%	5.2%
	Subtotal			59,154	53,800	-200	-0.4%				59,516	54,000		
Portfolio Total			108,003	106,090	-210	-0.2%				96,704	106,300			

(Note 1) The Appraisal Value as of the End of Period, Cap Rate by Direct Approach, Discount Rate by DCF Method and Final Cap Rate by DCF Method are based on the following:
For the period ended June 2011 (8th Period): Based on the appraisal reports of real-estate consultants (Japan Real Estate Institute and CB Richard Ellis).

For the period ended December 2010 (7th Period): Based on the appraisal reports, research reports and opinion letters on price issued by real-estate appraisers.

(Note 2) The Property Number represents the number assigned to each asset owned by IIF by category: L for logistics centers, F for manufacturing and R&D facilities and I for infrastructure facilities.

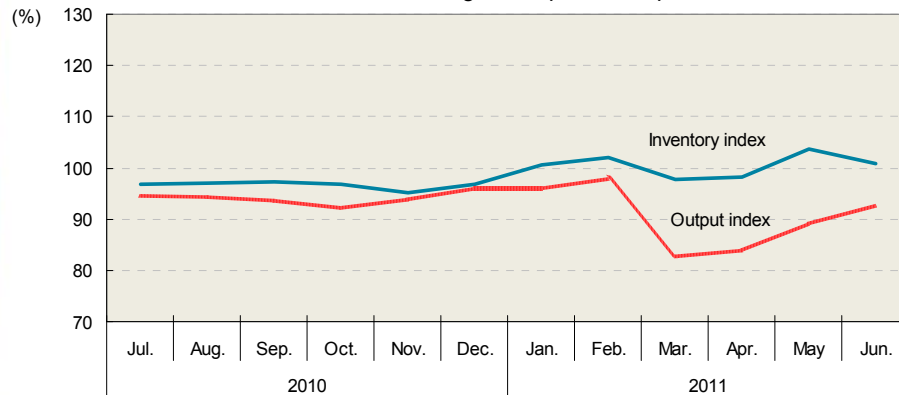
(Note 3) The appraisal Value as of the end of period for IIF Shinonome Logistics Center is the appraisal value for 53% quasi-ownership ratio of trust beneficiary right.

(Note 4) Period-over-period changes for L10 through L14 are changes from the appraisal value at acquisition.

Status of Distribution Market

Change in Industrial Index (output and inventory)

Recovery of supply chain of production bases that was interrupted due to the Earthquake is in progress, and production of automobile and electronics industries is on a recovery track. Shipping of product inventories is also recovering. Inventory and output indices indicate that product movement is gradually stabilized with the distribution network returning to the pre-Earthquake level.

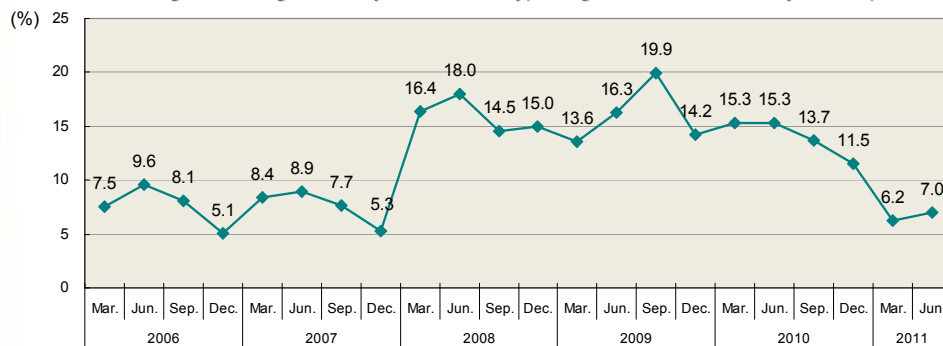


*Source: METI "Index of Industrial Inventories (seasonally adjusted)"

Vacancy Rate and Change in Rent Offer of the Tokyo Metropolitan Area

Although vacancy rate decreased due to the substitute demand of facilities damaged by the Earthquake, some companies are returning to the original facilities as they are restored. Meanwhile, since a demand for new bases is quite strong (mail order, apparel, etc.), an increase in vacancy rate is minimal. Rent level is stable in spite of a temporary increase in vacancy rate.

Change in average vacancy rate of multi-type large facilities in the Tokyo metropolitan area

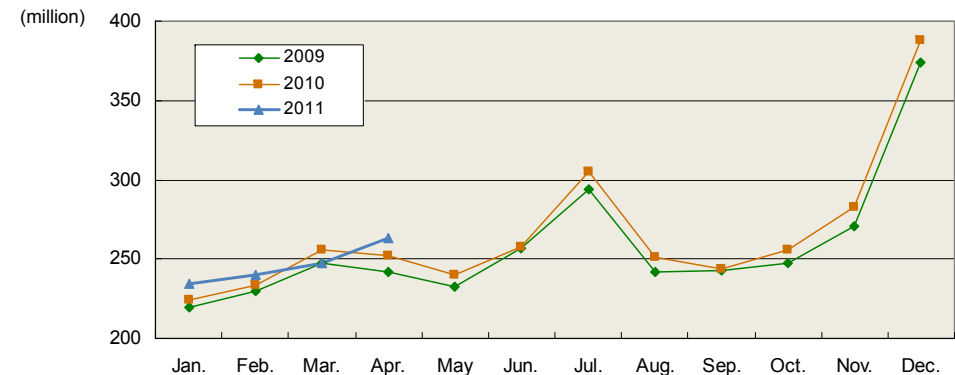


* Vacancy rate covers 54 multi-type facilities with floor area of 10,000 tsubo and more in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba and Saitama).

Source: CB Richard Ellis

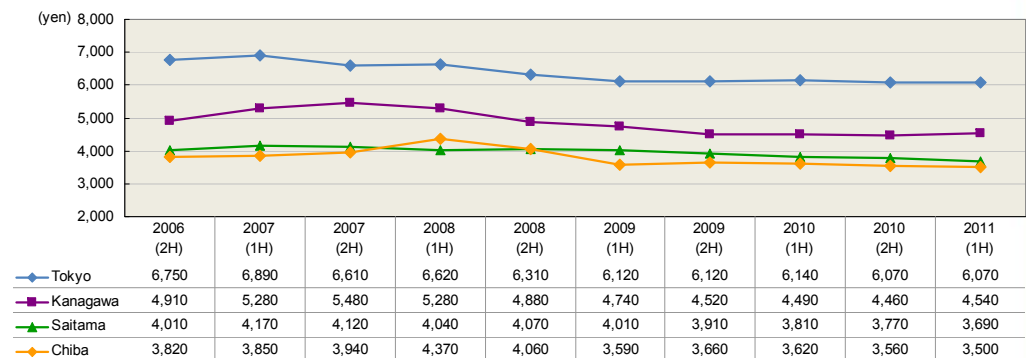
Change in the Number of Packages Delivered by Express Courier Service

Based on an increase in mail order business via Internet and mobile phones and express mail service such as DM, the number of packages delivered by express courier service exceeds those of the previous period and the period before excluding a year-on-year decrease in March 2011.



Source: MLIT "Monthly Economy"

Change in average rent offer in each district of the Tokyo metropolitan area



Source: CB Richard Ellis

Status of Interest-Bearing Debt

Status of Lending Financial Institutions

Classification		Outstanding Balance at the end of 9th Period (Forecast) (Million yen)		Date of Borrowing	Interest Rate (Note 1) (%)	Fixed/ Variable	Borrowing term	Remaining period (Note 2)	
		Lender	Breakdown						Total
Long-term borrowing	American Life Insurance Company		2,000	2,000	Dec. 25, 2009	1.70000	Fixed	5 years	3.5 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,765						
	Mitsubishi UFJ Trust and Banking Corporation		3,471	10,000	Feb. 26, 2010	1.14000	Variable	3 years	1.7 years
	The Sumitomo Trust & Banking Co., Ltd.		2,764						
	The Sumitomo Trust & Banking Co., Ltd.		2,500						
	Nomura Trust and Banking Co., Ltd.		2,000	7,500	Sep. 30, 2010	0.94000	Variable	3 years	2.3 years
	Resona Bank, Ltd.		2,000						
	THE YAMAGUCHI BANK, Ltd.		1,000						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,900	7,500	Oct. 19, 2010	0.94000	Variable	3 years	2.3 years
	Mitsubishi UFJ Trust and Banking Corporation		3,600						
	Sumitomo Mitsui Banking Corporation		2,000	2,000	Dec. 30, 2010	1.04000	Variable	4 years	3.5 years
	Development Bank of Japan Inc.		5,000	5,000	Feb. 28, 2011	1.70000	Fixed	7 years	6.7 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,200						
	Mitsubishi UFJ Trust and Banking Corporation		2,950	8,500	Mar. 11, 2011	1.76500	Fixed (Note 3)	7 years	6.7 years
	The Sumitomo Trust & Banking Co., Ltd.		2,350						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000	Aug. 31, 2011 (Schedule)	1.16750	Fixed (Note 4)	5 years	5 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,463						
	Mitsubishi UFJ Trust and Banking Corporation		4,057	11,600	Sep. 30, 2011 (Schedule)	1.30000	Fixed (Note 4)	6 years	6 years
	The Sumitomo Trust & Banking Co., Ltd.		3,080						
Subordinated loan	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,440	5,900	Aug. 31, 2011 (Schedule)	1.73857	Variable	5 years	5 years	
	Sumitomo Mitsui Banking Corporation	2,460							
Total / Average			62,000		1.32508		4.8 years	4.3 years	

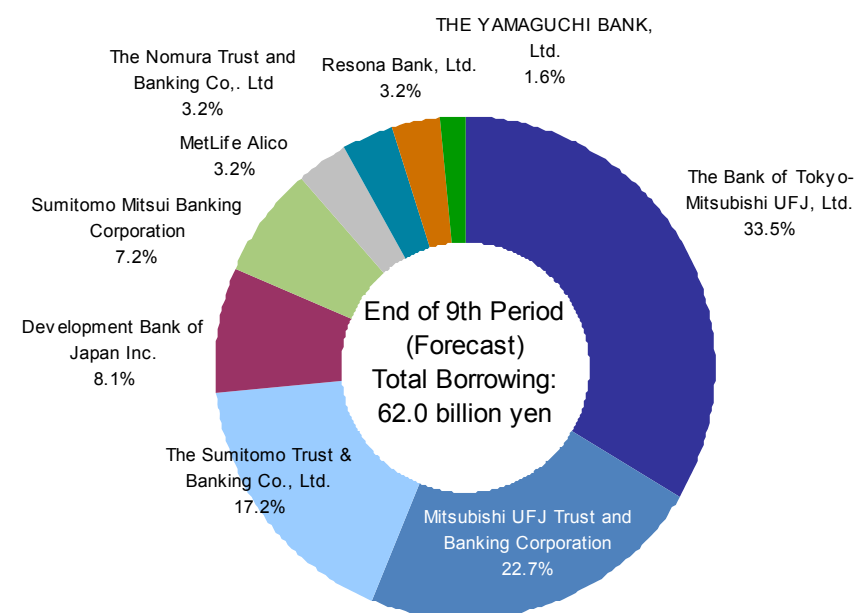
(Note 1) The applicable rate is based on the interest rate as of August 10, 2011. The average rate is calculated by weighting the rate for each borrowings according to the borrowing amount.

(Note 2) The remaining term for the existing borrowing is calculated with the base date as of June 30, 2011, while the scheduled borrowings is calculated based on the execution date of each borrowings. The average rate is calculated by weighting the remaining term of each borrowings according to the borrowing amount.

(Note 3) IIF signed an interest rate swap contract as of March 9, 2011 to stabilize the interest rate.

(Note 4) IIF signed an interest rate swap contract as of August 10, 2011 to stabilize the interest rate.

Status of Lenders



Trends in Investment Unit Price

Unit price trends since IPO
(October 18, 2007 to August 5, 2011)

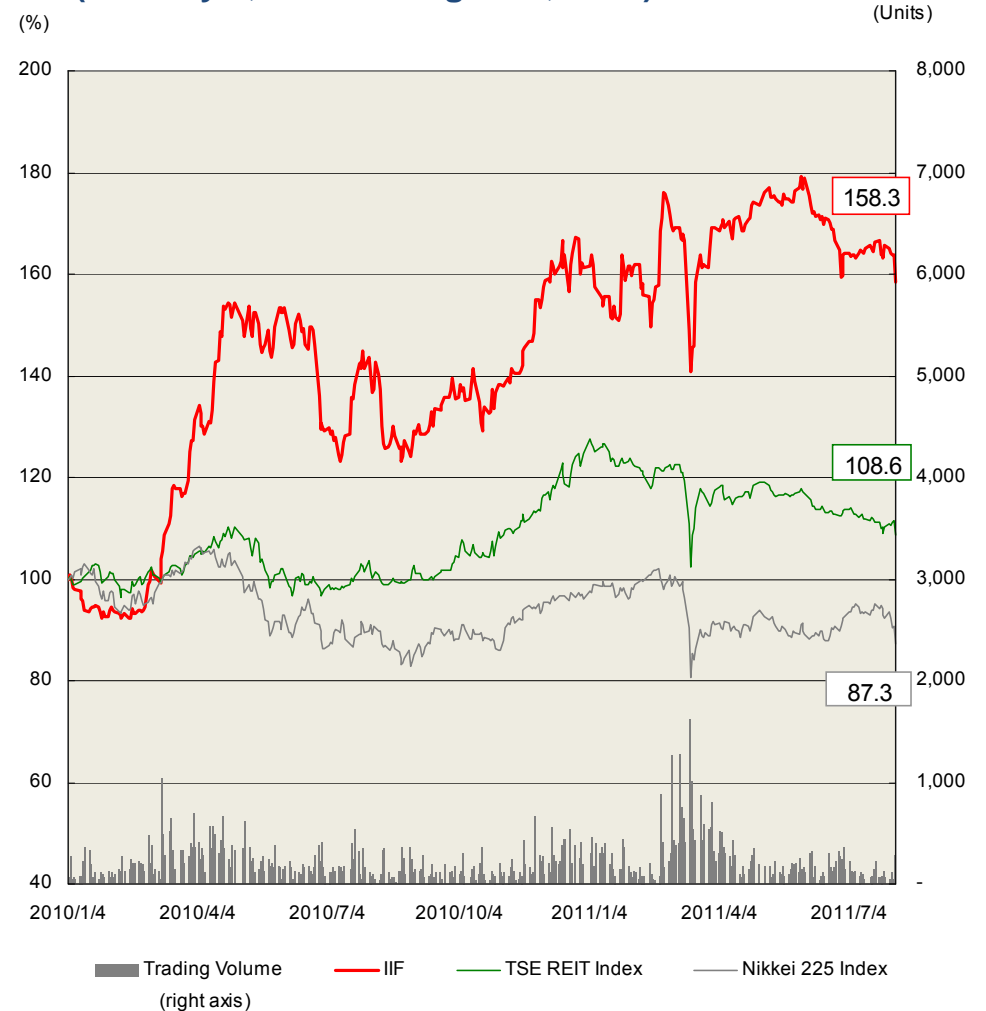


(Note 1) Closing price base

(Note 2) Left axis describes relative unit price trends that is closing price of TSE on October 18, 2007 to be assumed as 100%.

(Source) Based on Bloomberg data

Recent trends
(January 4, 2010 to August 5, 2011)



(Note 1) Closing price base

(Note 2) Left axis describes relative unit price trends that is closing price of TSE on January 4, 2010 to be assumed as 100%.

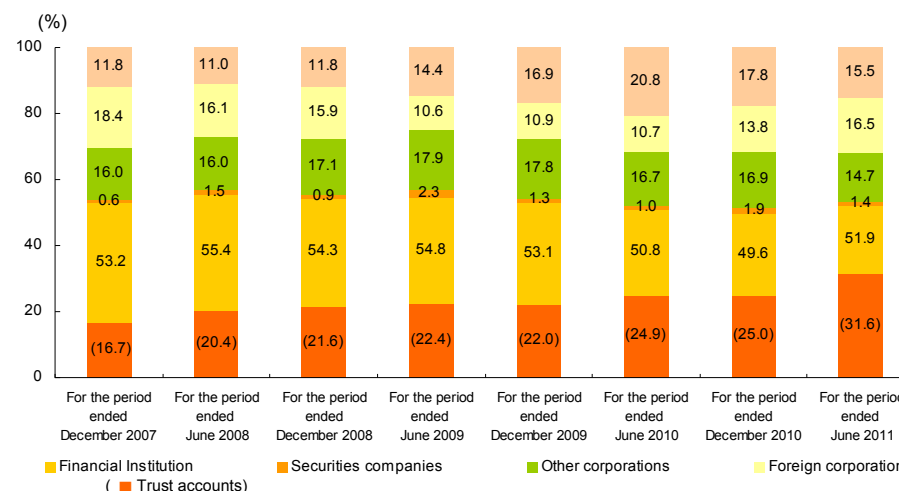
(Source) Based on Bloomberg data

Analysis of Investor's Attributes

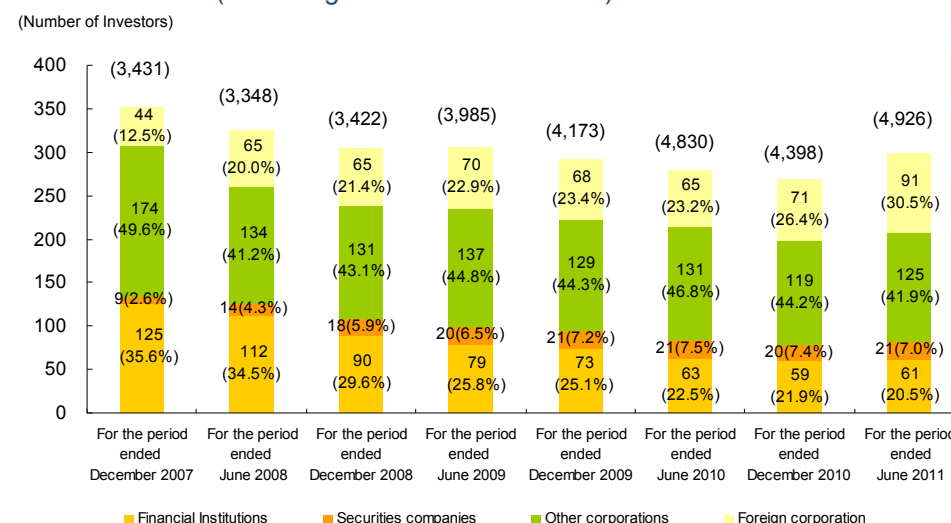
Top 20 Investors as of June 30, 2011

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	11,789	12.59
2	Mitsubishi Corporation	9,600	10.25
3	Nomura Trust and Banking Co., Ltd. (Trust Account)	6,190	6.61
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,814	6.20
5	UBS AG LONDON JAPAN SEED CAPITAL FUNDING	5,200	5.55
6	Development Bank of Japan Inc.	5,000	5.34
7	Master Trust Bank of Japan, Ltd. (Trust Account)	4,388	4.68
8	Nomura Bank Luxembourg S.A	3,007	3.21
9	North Pacific Bank, Ltd.	2,235	2.38
10	Tokushima Bank, Ltd.	1,492	1.59
11	Taiko Bank, Ltd.	1,480	1.58
12	Nippon Toshu Fukyu Co., Ltd.	1,128	1.20
13	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	1,018	1.08
14	CBHK-CIBC BANK AND TRUST COMPANY (CAYMAN) LTD AS TRUSTEE OF CITI INVESTMENT TR (CAYMAN) -CF	662	0.70
15	State Street Bank and Trust Company 505012	630	0.67
16	American Life Insurance Company GAL	608	0.64
17	Mitsubishi Corp. - UBS Realty Inc.	600	0.64
18	Yamaguchi Prefectural Credit Federation of Agricultural Cooperatives	589	0.62
19	The Senshu Ikeda Bank, Ltd.	581	0.62
20	Hokkaido Bank, Ltd.	574	0.61
	Total	62,585	66.84

Change in Percentage of Investment Units Held by Classification of Owners



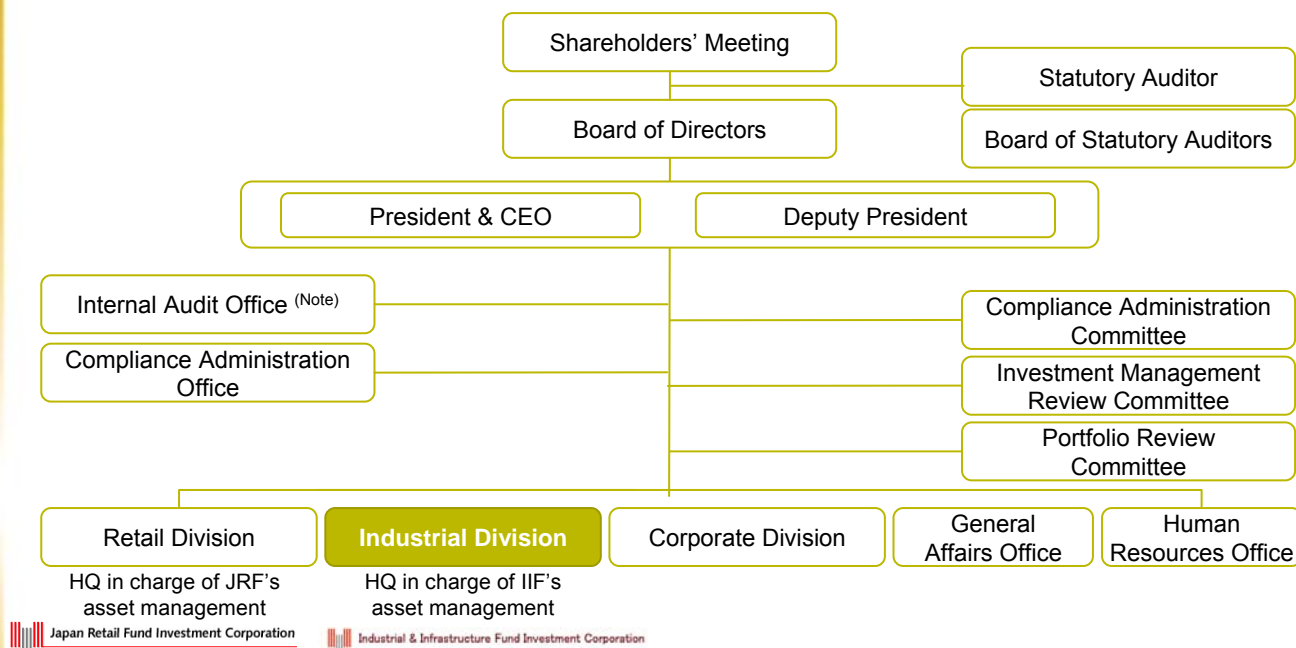
Change in Number of Investors by Classification of Owner (Excluding Individuals and others)



(Note) The number of all investors including individuals and others in parentheses

Overview of Asset Management Company

Organizational Structure



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

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)
March 12, 2002	Japan Retail Fund Investment Corporation was listed on the Tokyo Stock Exchange
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)
September 30, 2007	Registered as financial instruments dealer (registration number: Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403)
October 18, 2007	Industrial & Infrastructure Fund Investment Corporation was listed on the Tokyo Stock Exchange

Asset Management Company:
Number of Directors and Employees 87
(excluding part-time directors and employees)

Number of licensed persons out of the above

Licensed Real Estate Agents	32
First-Class Architects	6
Real Estate Appraisers	5
Certified Member of Security Analysts Association of Japan	4
CPAs	1
Certified Tax Accountants	3
MBA (including US and England)	4

Note: As of August 1, 2011

Major Shareholders

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

Note: As of June 30, 2011

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)