

Translation

INDUSTRIAL & INFRASTRUCTURE FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011

August 10, 2011

Name of issuer:	Industrial & Infrastructure Fund Investment Corporation ("the Investment Corporation")
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	3249
Website:	http://www.iif-reit.com/
Representative of the Investment Corporation:	Yasuyuki Kuratsu, Executive Director
Name of asset manager:	Mitsubishi Corp.-UBS Realty Inc.
Representative of the asset manager:	Takuya Kuga, President & CEO
Contact:	Yoshito Nishikawa, Head of Industrial Division
	Tel: (03)5293-7091
Scheduled date for filing of securities report:	September 28, 2011
Scheduled date for distributions payment:	September 12, 2011

(Amounts of less than one million yen are rounded down)

1. Financial results for the six months ended June 30, 2011 (January 1, 2011 to June 30, 2011)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended June 30, 2011	3,295	11.3	1,622	18.9	1,038	29.9	1,022	28.1
December 31, 2010	2,962	-13.9	1,364	-26.8	799	-37.7	798	-37.8

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
For the six months ended June 30, 2011	11,581	2.5	1.0	31.5
December 31, 2010	10,102	2.1	0.8	27.0

(2) Distributions

	Distributions (excluding distributions in excess of profit)		Distributions in excess of profit		Payout ratio	Ratio of distributions to net assets
	Per unit	Total	Per unit	Total		
	Yen	Millions of yen	Yen	Millions of yen	%	%
For the six months ended June 30, 2011	10,919	1,022	0	0	100.0	2.4
December 31, 2010	10,102	798	0	0	100.0	2.1

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2011	113,262	43,263	38.2	462,059
December 31, 2010	104,060	37,327	35.9	472,294

(4) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
For the six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2011	1,417	(11,555)	7,489	4,019
December 31, 2010	1,006	(1,091)	(1,282)	6,667

2. Outlook for the six months ending December 31, 2011 (July 1, 2011 to December 31, 2011)

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income	Net income
For the six months ending	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen
December 31, 2011	3,526	7.0	1,843	13.6	1,151	1,150
					10.9	12.5

	Net income per unit	Distributions per unit (excluding distributions in excess of profit)	Distributions in excess of profit per unit
For the six months ending	Yen	Yen	Yen
December 31, 2011	12,285	12,285	0

3. Others**(1) Changes in accounting policies, procedures and presentation methods for preparing financial information**

Changes due to accounting standards revision: None

Changes due to other reasons: None

(2) Number of units issued

Number of units issued at end of period (including treasury units):

As of June 30, 2011 93,632 units

As of December 31, 2010 79,035 units

Number of treasury units at end of period:

As of June 30, 2011 0 unit

As of December 31, 2010 0 unit

Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 20.

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “2. Management policies and operations, (2) Operations, B. Outlook for the next period” on page 4

1. Summary of related corporations of the Investment Corporation

There have been no significant changes to the “structure of the investment corporation” since the most recent financial report (submitted March 30, 2011), and hence, description of these matters is omitted.

2. Management policies and operations

(1) Management Policies

There have been no significant changes to the “investment policies,” “investment targets” and “distribution policies” in the most recent financial report (submitted May 26, 2011), and hence, description of these matters is omitted.

(2) Operations

A Operations during the period

i Major developments and management performance of IIF

IIF was established on March 26, 2007 and was listed on the REIT securities market of the Tokyo Stock Exchange on October 18, 2007 (securities code: 3249).

Based on the principle of aiming to “invest in social infrastructure as a source of power for the Japanese economy and support Japan’s industrial activities from a perspective of real estate”, IIF invests in distribution facilities, plants and research and development (R&D) facilities, and infrastructure facilities which play a vital role in various industrial activities and are expected to be utilized stably from a medium- and long-term viewpoint. As the only listed J-REIT specializing in industrial properties, IIF aims for further improvement and stabilization of the distribution level by increasing and stabilizing profit as a result of acquiring properties by making the best use of an environment where there is limited competition.

In the current period, IIF acquired the following five properties by issuing new investment units and borrowings: IIF Narashino Logistics Center II (land with leasehold, bought for 3,350 million yen), IIF Atsugi Logistics Center II (for 3,100 million yen), IIF Yokohama Tsuzuki Logistics Center (for 2,350 million yen), IIF Saitama Logistics Center (for 1,490 million yen) and IIF Nagoya Logistics Center (for 1,050 million yen). Of these five properties, acquisition of four properties excluding the IIF Nagoya Logistics Center was postponed due to the Great East Japan Earthquake (hereinafter called the “Earthquake”) that occurred on March 11 under the following two conditions: 1) acquisition will be postponed until the effects of the Earthquake are confirmed by an on-site investigation performed by external professionals and 2) for properties that are affected by the Earthquake, IIF requests sellers to repair the damage and then acquire them after discussions on the conditions for delivery are complete. IIF acquired the four properties in series after these two conditions were satisfied. The Earthquake caused some damage to the existing properties. IIF completed repair work for three properties out of 11 properties by the end of the current period, and the total cost of repair work was approximately 13 million yen (0.01% of the total properties owned). In terms of management, IIF switched the original contract from a regular lease contract to a fixed-term lease contract at the time of settlement and delivery for the IIF Nagoya Logistics Center IIF newly acquired in the current period and thus succeeded in stabilizing profit. As for the IIF Noda Logistics Center, IIF resigned a five-year lease contract with the tenant whose lease expired during the current period. IIF also installed a solar power system in cooperation with tenants at the IIF Koshigaya Logistics Center as a part of its efforts to reduce its environmental impact.

On the basis of these results, the properties owned by IIF as of June 30, 2011 consisted of 12 distribution facilities, two infrastructure facilities and two plants and R&D facilities whose total acquisition price amounted to 108,240 million yen. The total leasable area as of June 30, 2011 was 358,773.32m², and the average occupancy rate remained at 99.9%.

For the Shinsuna Data Center IIF planned to acquire, IIF signed an agreement on cancellation of the trust beneficiary right sales agreement with Industrial Six LLC (seller) on March 31, 2011 and reached an agreement in which the acquisition right of this property IIF owns will not be executed.

ii Overview of financing

IIF's fundamental policy is to plan and implement a stable and efficient financial strategy for the purpose of securing stable profit and achieving sustainable growth of the properties owned.

IIF raised funds by taking out interest-bearing debt in order to refinance the borrowings that reached their repayment date, repay some borrowings ahead of schedule and acquire new properties. IIF secured a seven-year loan from its main banks (Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Sumitomo Trust and Banking Company, Limited) and the Development Bank of Japan and succeeded in further strengthening its financial stability. In addition, in order to surely capture attractive investment opportunities, IIF signed a commitment-type term loan contract with the Development Bank of Japan to secure long-term funds that can be borrowed flexibly. As a result, IIF's interest-bearing debt as of June 30, 2011 increased by 2,600 million yen compared to the end of the previous period, and short-term borrowings amounted to 1,100 million yen, long-term borrowings to 53,000 million yen and subordinated investment corporation bond to 8,000 million yen. The long-term debt ratio increased from 79.8% to 98.2%, and the fixed-term debt ratio increased from 3.4% to 25.0%, leading to a decline in LTV from 49.5% to 47.8%.

IIF also raised approximately 5,700 million yen by issuing new investment units in March 2011 in order to raise funds for the acquisition of new properties. IIF implemented a strategy to aim for stable growth of distributions and increased and stabilized the distribution level by acquiring properties that contribute to improvement and stabilization of the distribution level. As a result, the number of outstanding units as of the end of the current period increased by 14,597 units to 93,632 compared to the end of the previous period.

iii Overview of financial results and distribution

As a result of the abovementioned management activities, IIF recorded operating revenue of 3,295 million yen, operating income of 1,622 million yen, ordinary income of 1,038 million yen and net income of 1,022 million yen for the current period after recording extraordinary loss of 15 million yen associated with the Great East Japan Earthquake. For distributions, IIF intended to include profit distributions in deductible expenses in accordance with Section 1 of Article 67-15 of the Act on Special Measures concerning Taxation and determined to distribute the entire unappropriated retained earnings for the current period excluding fractions (amounts less than one yen). Therefore, the distribution per unit was 10,919 yen.

B Outlook for the next period

i Outlook for the overall management and issues to be solved

The global economy was on a mild recovery path supported by the strong growth of China and emerging countries. The Japanese economy, especially its exports, was also on a recovery track. However, economic activities rapidly declined due to damage to production facilities, disruptions to supply chains and shortages of electricity triggered by the Earthquake in March. There was also a mood of voluntary restraint, and consumers avoided any unnecessary consumption. Although there are uncertainties such as a lack of electricity and an increase in the burden placed on households due to a need to generate funds for reconstruction, the economy is expected to pick up supported by exports based on recoveries of supply chains and resumption of domestic production.

In the real estate market, trading resumed including J-REITs after a temporary interruption due to the Earthquake, and IIF believes now is the best time to invest in the industrial properties IIF specializes in.

There is an increasing need for distribution facilities that provide a large space due to post-Earthquake special procurements. While short-term contracts were signed for most of the special procurements, some such contracts were changed to medium- and long-term contracts. It is assumed that the balance between supply and demand will continue. As for location, there is no change in the trend in which locations where

efficient transportation according to shippers' needs can be realized are preferred. IIF believes there are few cases where locations are changed due to concerns about effects of the Earthquake. Since the distribution facilities IIF owns have high versatility and are in excellent locations, usage in the medium and long term is expected as an important base of tenants.

As for plants and R&D facilities, it is assumed that the tendency to diversify production and research facilities to ensure smooth operations will become notable, considering the effects of electricity shortages and radioactive damage. Accordingly, IIF believes the importance of CRE strategies of companies will increase. For the R&D facilities IIF owns, a stable and long-term usage can be expected, supported by long-term lease contracts. In addition, infrastructure facilities are used stably as an industrial base and expected to be used in the long term as a facility essential to local communities and business activities of tenants. IIF continues to aim for sustainable growth of distributions, maintenance of stable rent revenue, promotion of external growth and continuous reinforcement of its financial strength.

ii Financial outlook for the next period

IIF expects to record operating revenue of 3,526 million yen, ordinary income of 1,151 million yen, net income of 1,150 million yen and distribution per unit of 12,285 yen for the 9th Period (July 1, 2011 to December 31, 2011). For assumptions for this forecast, please see "Assumptions made in earnings forecast for the 9th Period (July 1, 2011 to December 31, 2011)" below.

Note: The forecast mentioned above is made at present based on certain assumptions. Actual net income and distribution may fluctuate due to changes in the circumstances. This forecast does not guarantee the amount of distribution.

Assumptions made in earnings forecast for the 9th Period (July 1, 2011 to December 31, 2011)

Item	Assumptions
Calculation period	9 th Period July 1, 2011 to December 31, 2011 (184 days)
Properties owned	The forecast is based on the 16 properties and real estate trust beneficiary right IIF owned as of June 30, 2011. It is assumed that there will be no change in properties by the end of December 2011, but in reality, there may be some changes due to the acquisition or disposal of other properties.
Interest-bearing debt	Interest-bearing debt as of June 30, 2011 amounted to 62,100 million yen, which consisted of borrowings of 54,100 million yen (long-term borrowings of 53,000 million yen and short-term borrowings of 1,100 million yen) and investment corporation bonds of 8,000 million yen. It is assumed that IIF will redeem the entire amount of investment corporation bonds by using cash on hand of 100 million yen and new borrowings of 7,900 million yen at the end of August. Interest-bearing debt that reaches its repayment date during the 9 th Period amounts to 1,100 million yen, and IIF plans to refinance the same amount at the end of September including the repayment of 10,500 million yen ahead of schedule (borrowed on October 20, 2009).
Operating revenue	In the 9 th Period, it is assumed that there will be no back rent and nonpayment by tenants based on the assumptions for "Properties owned" above.
Operating expense	Property tax, urban planning tax and depreciable property tax of approximately 241 million yen and repair costs of approximately 26 million yen are assumed. Depreciation expense (including ancillary expenses, etc.) is calculated under the straight-line method, and its assumed amount is approximately 582 million yen. Outsourcing expense (property management fee and building management commission fee, etc.) is calculated based on past expenses.

Non-operating expense	Interest expense and other borrowing-related expense of approximately 663 million yen are assumed based on the assumptions made in “Interest-bearing debt” above. Amortizing the issuance cost of investment corporation bonds of approximately 14 million yen and amortizing the unit issuance cost of approximately 8 million yen are assumed.
Issuance of investment units	The forecast is based on the total outstanding units of 93,632 as of June 30, 2011.
Distribution per unit	It is assumed that the entire unappropriated retained earnings for the current period excluding fractions (amounts less than one yen) will be distributed.
Distribution of excess profit per unit	There is no plan at present to distribute excess profit (distribution of excess profit per unit).

3. Financial information

(1) Balance sheets

	As of		Increase (Decrease)	
	December 31, 2010	June 30, 2011		
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
ASSETS				
Current assets:				
Cash and bank deposits	5,435,254	2,647,904	(2,787,349)	
Cash and bank deposits in trust	1,231,979	1,371,266	139,286	
Rental receivables	2,976	3,314	337	
Prepaid expenses	259,459	606,757	347,298	
Deferred tax assets	19	19	—	
Consumption taxes refundable	105,047	108,416	3,369	
Other	399	45	(354)	
Total current assets	7,035,136	4,737,725	(2,297,411)	(32.7)
Noncurrent assets:				
Property, plant and equipment:				
Buildings, at cost	23,626,761	25,201,524	1,574,762	
Less: Accumulated depreciation	(1,525,764)	(1,778,202)	(252,438)	
Buildings, net	22,100,997	23,423,321	1,322,324	
Structures, at cost	—	1,650	1,650	
Less: Accumulated depreciation	—	(2)	(2)	
Structures, net	—	1,647	1,647	
Land	2,018,489	4,839,720	2,821,231	
Buildings in trust, at cost	21,118,499	22,840,014	1,721,514	
Less: Accumulated depreciation	(1,843,650)	(2,146,060)	(302,410)	
Buildings in trust, net	19,274,849	20,693,954	1,419,104	
Structures in trust, at cost	321,843	331,598	9,755	
Less: Accumulated depreciation	(129,658)	(149,669)	(20,011)	
Structures in trust, net	192,185	181,929	(10,256)	
Tools, furniture and fixtures in trust, at cost	1,863	3,306	1,443	
Less: Accumulated depreciation	(112)	(495)	(383)	
Tools, furniture and fixtures in trust, net	1,750	2,810	1,059	
Land in trust	33,282,269	39,026,479	5,744,209	
Total net property, plant and equipment	76,870,541	88,169,862	11,299,321	14.7
Intangible assets:				
Leasehold right (Note 3)	19,833,966	19,833,966	—	
Total intangible assets	19,833,966	19,833,966	—	0.0
Investments and other assets:				
Lease and guarantee deposits	10,000	10,000	—	
Long-term prepaid expenses	293,967	448,763	154,796	
Total investments and other assets	303,967	458,763	154,796	50.9
Total noncurrent assets	97,008,475	108,462,592	11,454,117	11.8
Deferred assets:				
Investment unit issuance costs	—	47,328	47,328	
Investment corporation bond issuance costs	17,348	14,609	(2,739)	
Total deferred assets	17,348	61,937	44,588	257.0
TOTAL ASSETS	104,060,960	113,262,254	9,201,294	8.8

The accompanying notes in “(6) Notes to financial information” are an integral part of these statements.

	As of		Increase	
	December 31, 2010	June 30, 2011	(Decrease)	
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
LIABILITIES				
Current liabilities:				
Operating accounts payable	170,563	43,554	(127,008)	
Short-term loans payable	12,000,000	1,100,000	(10,900,000)	
Accounts payable – other	220,171	271,162	50,991	
Accrued expenses	81,375	82,182	806	
Income taxes payable	665	803	138	
Advances received	485,671	898,440	412,769	
Other	50,296	7,798	(42,497)	
Total current liabilities	13,008,743	2,403,942	(10,604,800)	(81.5)
Noncurrent liabilities:				
Investment corporation bond – unsecured	8,000,000	8,000,000	—	
Long-term loans payable	39,500,000	53,000,000	13,500,000	
Tenant leasehold and security deposits	1,107,609	1,297,470	189,860	
Tenant leasehold and security deposits in trust	5,010,435	5,199,100	188,665	
Other	106,374	98,225	(8,149)	
Total noncurrent liabilities	53,724,420	67,594,796	13,870,376	25.8
TOTAL LIABILITIES	66,733,163	69,998,739	3,265,575	4.9
NET ASSETS				
Unitholders' equity:				
Unitholders' capital	36,529,370	42,241,132	5,711,762	15.6
Surplus:				
Retained earnings	798,426	1,022,383	223,956	
Total surplus	798,426	1,022,383	223,956	28.0
Total unitholders' equity	37,327,796	43,263,515	5,935,719	15.9
TOTAL NET ASSETS (Note 4)	37,327,796	43,263,515	5,935,719	15.9
TOTAL LIABILITIES AND NET ASSETS	104,060,960	113,262,254	9,201,294	8.8

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(2) Statements of income and retained earnings

	For the six months ended		Increase (Decrease)	
	December 31, 2010	June 30, 2011		
	Thousands of yen	Thousands of yen	Thousands of yen	Period-on-period change (%)
Operating revenue				
Rental revenue—real estate (Note 5)	2,962,317	3,295,735	333,417	
Total operating revenue	2,962,317	3,295,735	333,417	11.3
Operating expenses				
Expenses related to rent business (Note 5)	1,166,896	1,253,190	86,293	
Asset management fee	315,612	335,201	19,589	
Directors' compensations	5,820	5,820	—	
Asset custody fee	5,227	5,499	271	
Administrative service fees	21,394	21,740	345	
Other	82,689	51,554	(31,135)	
Total operating expenses	1,597,640	1,673,005	75,364	4.7
Operating income	1,364,677	1,622,730	258,052	18.9
Non-operating income				
Interest income	1,656	964	(692)	
Interest on refund	—	2,099	2,099	
Other	—	445	445	
Total non-operating income	1,656	3,509	1,853	111.9
Non-operating expenses				
Interest expenses	282,891	313,528	30,637	
Interest expenses on investment corporation bonds (Note 6)	120,326	115,678	(4,647)	
Amortization of investment corporation bond issuance costs	2,739	2,739	—	
Borrowing related expenses	140,302	144,446	4,143	
Amortization of investment unit issuance costs	17,138	5,916	(11,222)	
Other	3,525	5,359	1,834	
Total non-operating expenses	566,923	587,669	20,745	3.7
Ordinary income	799,410	1,038,570	239,160	29.9
Extraordinary loss				
Loss on disaster (Note 6)	—	15,205	15,205	
Total extraordinary loss	—	15,205	15,205	—
Income before income taxes	799,410	1,023,364	223,954	28.0
Income taxes				
Current	996	996	(0)	
Deferred	0	—	(0)	
Total income taxes	997	996	(0)	(0.1)
Net income	798,412	1,022,368	223,955	28.1
Retained earnings brought forward	13	15	1	
Unappropriated retained earnings	798,426	1,022,383	223,956	

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(3) Statements of changes in net assets

(Thousands of yen)

For the six months ended December 31, 2010

For the six months ended December 31, 2010

		Unitholders' equity			
	Unitholders' capital	Surplus		Total unitholders' equity	Total net assets
	(Note 4)	Retained earnings	Total surplus		
Balance as of June 30, 2010	36,529,370	1,283,146	1,283,146	37,812,516	37,812,516
Changes during the period					
Distributions from surplus	—	(1,283,133)	(1,283,133)	(1,283,133)	(1,283,133)
Net income	—	798,412	798,412	798,412	798,412
Total changes during the period	—	(484,720)	(484,720)	(484,720)	(484,720)
Balance as of December 31, 2010	36,529,370	798,426	798,426	37,327,796	37,327,796

For the six months ended June 30, 2011

	Unitholders' equity				
	Unitholders' capital (Note 4)	Surplus		Total unitholders' equity	Total net assets
		Retained earnings	Total surplus		
Balance as of December 31, 2010	36,529,370	798,426	798,426	37,327,796	37,327,796
Changes during the period					
Issuance of new investment units	5,711,762	—	—	5,711,762	5,711,762
Distributions from surplus	—	(798,411)	(798,411)	(798,411)	(798,411)
Net income	—	1,022,368	1,022,368	1,022,368	1,022,368
Total changes during the period	5,711,762	223,956	223,956	5,935,719	5,935,719
Balance as of June 30, 2011	42,241,132	1,022,383	1,022,383	43,263,515	43,263,515

The accompanying notes in "(6) Notes to financial information" are an integral part of these statements.

(4) Statements of cash distributions

(Yen)

	For the six months ended	
	December 31, 2010	June 30, 2011
Unappropriated retained earnings	798,426,613	1,022,383,415
Cash distribution declared	798,411,570	1,022,367,808
(Cash distribution declared per unit)	(10,102)	(10,919)
Retained earnings carried forward	15,043	15,607

Note:

In accordance with the distribution policy in Article 25, Paragraph 1, Item 2 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, cash distributions declared for the six months ended December 31, 2010 and June 30, 2011 were ¥798,411,570 and ¥1,022,367,808, respectively, which were all of retained earnings at the end of each period except for fractional distribution per unit less than one yen. The Investment Corporation generally does not make distribution in excess of profit prescribed in the article of incorporation 25, Paragraph 2.

(5) Statements of cash flows

	For the six months ended		(Thousands of yen)
	December 31, 2010	June 30, 2011	Increase (Decrease)
Net cash provided by (used in) operating activities:			
Income before income taxes	799,410	1,023,364	223,954
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	567,045	575,245	8,199
Amortization of investment corporation bond issuance costs	2,739	2,739	—
Amortization of investment unit issuance costs	17,138	5,916	(11,222)
Interest income	(1,656)	(964)	692
Interest expenses	403,218	429,207	25,989
Loss on disaster	—	15,205	15,205
Changes in assets and liabilities:			
Decrease (increase) in operating accounts receivable	136,837	(337)	(137,174)
Increase in consumption taxes refundable	(100,304)	(6,609)	93,694
Increase in prepaid expenses	(62,719)	(347,298)	(284,578)
Increase in long-term prepaid expenses	(82,222)	(154,796)	(72,573)
Decrease in operating accounts payable	(61,366)	(58,779)	2,587
Increase in accounts payable - other	13,555	2,280	(11,274)
Increase in accrued expenses	60	4,891	4,830
Decrease in accrued consumption taxes	(284,730)	—	284,730
Increase in advances received	28,817	412,769	383,951
Decrease in other noncurrent liabilities	(8,150)	(8,149)	0
Other, net	41,595	(41,573)	(83,169)
Subtotal	1,409,266	1,853,110	443,844
Interest income received	1,656	964	(692)
Interest expenses paid	(403,320)	(433,292)	(29,971)
Payments for loss on disaster	—	(2,215)	(2,215)
Income taxes paid	(1,152)	(858)	294
Net cash provided by operating activities	1,006,449	1,417,709	411,260
Net cash provided by (used in) investing activities:			
Purchases of property, plant and equipment	(1,160,693)	(4,409,978)	(3,249,285)
Purchases of property, plant and equipment in trust	—	(7,523,916)	(7,523,916)
Proceeds from tenant leasehold and security deposits	92,000	189,860	97,860
Proceeds from tenant leasehold and security deposits in trust	—	265,925	265,925
Payments of tenant leasehold and security deposits in trust	(22,944)	(77,260)	(54,315)
Net cash used in investing activities	(1,091,638)	(11,555,369)	(10,463,731)
Net cash provided by (used in) financing activities:			
Increase in short-term loans payable	—	9,200,000	9,200,000
Decrease in short-term loans payable	(2,000,000)	(20,100,000)	(18,100,000)
Proceeds from long-term loans payable	17,000,000	13,500,000	(3,500,000)
Repayments of long-term loans payable	(15,000,000)	—	15,000,000
Proceeds from issuance of investment units	—	5,688,577	5,688,577
Distributions paid	(1,282,259)	(798,981)	483,278
Net cash provided by (used in) financing activities	(1,282,259)	7,489,596	8,771,856
Net change in cash and cash equivalents	(1,367,448)	(2,648,062)	(1,280,614)
Cash and cash equivalents at beginning of period	8,034,682	6,667,234	(1,367,448)
Cash and cash equivalents at end of period (Note 7)	6,667,234	4,019,171	(2,648,062)

The accompanying notes in “(6) Notes to financial information” are an integral part of these statements.

(6) Notes to financial information

Note 1 – Note regarding to going concern assumption

Nothing to be noted.

Note 2 – Summary of significant accounting policies***(a) Property, plant and equipment***

Property, plant and equipment is recorded at cost. Depreciation of property, plant and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

	For the six months ended	
	December 31, 2010	June 30, 2011
Buildings	13-63 years	13-63 years
Structures	7-20 years	7-20 years
Tools, furniture and fixtures	6-10 years	6-10 years

(b) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(c) Investment unit issuance costs

Investment unit issuance costs are capitalized and amortized on a straight-line basis over three years.

(d) Investment corporation bond issuance costs

Investment corporation bond issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the investment corporation bond.

(e) Taxes on property, plant and equipment

Property, plant and equipment are annually subject to various taxes, such as property taxes and urban planning taxes. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1 of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with generally accepted accounting principles in Japan. In subsequent calendar years, half of such taxes on property, plant and equipment for each calendar year are charged as operating expenses in each fiscal period.

Taxes on property, plant and equipment capitalized as part of the acquisition cost of properties amounted to ¥514 thousand and ¥73,520 thousand for the six months ended December 31, 2010 and June 30, 2011, respectively.

(f) Hedge accounting

In accordance with the Investment Corporation's risk management policy and its internal rules, the Investment Corporation uses derivative instruments for the purpose of hedging risks prescribed in the Investment Corporation's articles of incorporation. The Investment Corporation hedges fluctuations in interest rates of loans payable by interest rate swaps as hedging instruments. The interest rate swaps which qualify for hedge accounting and meet specific criteria are not measured at fair value and interests received or paid under the interest rate swap contracts are recognized on an accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible to cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(h) Accounting treatment of trust beneficiary interests in real estate trusts

For the trust beneficiary interests in real estate trusts, which are commonly utilized to obtain ownership in investment properties in Japan and through which the Investment Corporation holds all of its real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant balance sheet and income statement accounts of the Investment Corporation in proportion to the percentage interest that such trust beneficiary interest represents. Certain material accounts with respect to assets and liabilities in trust are presented separately from other accounts in the balance sheets of the Investment Corporation.

(i) Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statements of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

Note 3 – Leasehold right

Leasehold right is right to use nationally-owned land on which IIF Haneda Airport Maintenance Center is located with approval of the authorities under Article 18-6 and 19 of the National Property Act of Japan.

Note 4 – Unitholders' equity**(1) Number of units**

	As of	
	December 31, 2010	June 30, 2011
Authorized	4,000,000 units	4,000,000 units
Issued and outstanding	79,035 units	93,632 units

(2) The Investment Corporation is required to maintain net assets of at least ¥50,000 thousand as required by Article 67-4 of the Act on Investment Trusts and Investment Corporations of Japan.

Note 5 – Rent revenue—real estate and expenses related to rent business

Rent revenue—real estate and expenses related to rent business for the six months ended December 31, 2010 and June 30, 2011 consist of the following:

(Thousands of yen)

	For the six months ended	
	December 31, 2010	June 30, 2011
Rental revenue—real estate:		
Rental and parking revenue	2,902,544	3,277,884
Common area charges	12,791	10,890
Other	46,982	6,960
Total rental revenue—real estate	2,962,317	3,295,735
Expenses related to rent business:		
Property management fees	7,836	10,993
Facility management fees	7,085	15,904
Utilities	15,763	12,364
Property-related taxes	211,807	225,825
Insurance	8,117	8,617
Repair and maintenance	77,419	4,894
Depreciation	567,045	575,245
Trust fees	10,527	7,478
Leasehold rents	261,026	391,539
Other	267	327
Total expenses related to rent business	1,166,896	1,253,190
Operating income from property leasing activities	1,795,421	2,042,545

Note 6 – Transaction with major unitholder

The Investment Corporation paid interest expenses on investment corporation bonds to a major unitholder totaling of ¥120,326 thousand and ¥115,678 thousand for the six months ended December 31, 2010 and June 30, 2011, respectively. In addition, the Investment Corporation made payment for loss on disaster to the major unitholder amounting to ¥2,175 thousand for the six months ended June 30, 2011.

Note 7 – Cash and cash equivalents

Cash and cash equivalents shown in the statements of cash flows consist of the following balance sheet items:

(Thousands of yen)

	As of	
	December 31, 2010	June 30, 2011
Cash and bank deposits	5,435,254	2,647,904
Cash and bank deposits in trust	1,231,979	1,371,266
Cash and cash equivalents	6,667,234	4,019,171

Note 8 – Lease rental revenues

The Investment Corporation leases its properties mainly to corporate tenants. Future minimum rental revenues pursuant to existing rental contracts as of December 31, 2010 and June 30, 2011 scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	December 31, 2010	June 30, 2011
Due within one year	4,979,567	5,954,979
Due after one year	45,691,911	56,677,224
Total	50,671,479	62,632,204

Note 9 – Financial instruments***(a) Qualitative information for financial instruments******(i) Policy for financial instrument transactions***

The Investment Corporation raises funds through loans payable, the issuance of investment corporation bond or investment units for the acquisition of real estate properties, expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully by investing in financial instruments taking into account liquidity and safety in light of the current financial market condition. Derivative instruments are used only for hedging purposes and not for speculation. The Investment Corporation did not use any derivative instruments for the six months ended December 31, 2010.

(ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through loans payable or issuance of investment corporation bond are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing loans payable. Tenant leasehold and security deposits are deposits from tenants. Although loans payable with floating interest rates are subject to fluctuations in market interest rates, the asset manager manages interest fluctuation risk by monitoring market interest rates and measuring the effect on the results of operation of the Investment Corporation. In addition, a certain portion of loans payable with floating interest rates is hedged by derivative instruments (interest rate swaps) as hedging instruments for the six months ended June 30, 2011. The assessment of hedge effectiveness is omitted when the interest rate swaps meet specific criteria indicating a high correlation between the hedged items and hedging instruments. The Investment Corporation uses derivative instruments in accordance with its risk management policy and internal rules.

Liquidity risks relating to loans payable, investment corporation bonds or tenant leasehold and security deposits are managed by preparing monthly plans for funds, maintaining high liquidity and entering into commitment line agreements with banks.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices, if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated fair value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and valuation differences of financial instruments for which fair value is available as of December 31, 2010 and June 30, 2011.

(Thousands of yen)

	As of					
	December 31, 2010			June 30, 2011		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
(1) Cash and bank deposits	5,435,254	5,435,254	-	2,647,904	2,647,904	-
(2) Cash and bank deposits in trust	1,231,979	1,231,979	-	1,371,266	1,371,266	-
Total assets	6,667,234	6,667,234	-	4,019,171	4,019,171	-
(1) Short-term loans payable	12,000,000	12,000,000	-	1,100,000	1,100,000	-
(2) Investment corporation bond — unsecured	8,000,000	8,000,000	-	8,000,000	8,000,000	-
(3) Long-term loans payable	39,500,000	39,540,817	40,817	53,000,000	53,273,120	273,120
(4) Tenant leasehold and security deposits in trust	1,103,533	874,486	(229,046)	1,064,966	903,656	(161,310)
Total liabilities	60,603,533	60,415,304	(188,229)	63,164,966	63,276,776	111,810
Derivative instruments	-	-	-	-	-	-

Note (i): The methods and assumption used to estimate fair value are as follows:

Assets*(1) Cash and bank deposits and (2) Cash and bank deposits in trust*

Because of their short maturities, the carrying amounts approximate their fair value.

Liabilities*(1) Short-term loans payable*

Because of their short maturities and floating interest rates, the carrying amounts of short-term loans payable approximate their fair values.

(2) Investment corporation bond — unsecured

Because of floating interest rates changing within a short term period, the carrying amounts of investment corporation bond approximate their fair values.

(3) Long-term loans payable

Long-term loans payable with floating interest rates changing within a short term period are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term loans payable with floating interest rates are hedged by interest rate swaps which qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term loans payable is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms. The fair value of long-term loans payable with fixed interest rates is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new loans payable under the same conditions and terms.

(4) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivative instruments

Please refer to "Note 10 - Derivative instruments."

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

(Thousands of yen)

	As of	
	December 31, 2010	June 30, 2011
Tenant leasehold and security deposits	1,107,609	1,297,470
Tenant leasehold and security deposits in trust	3,906,902	4,134,134
Total	5,014,512	5,431,604

Tenant lease hold and security deposits are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment dates of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

(Thousands of yen)

As of December 31, 2010	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	5,435,254	-	-	-	-	-
Cash and bank deposits in trust	1,231,979	-	-	-	-	-
Total	6,667,234	-	-	-	-	-

(Thousands of yen)

As of June 30, 2011	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	2,647,904	-	-	-	-	-
Cash and bank deposits in trust	1,371,266	-	-	-	-	-
Total	4,019,171	-	-	-	-	-

Note (iv): Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

(Thousands of yen)

As of December 31, 2010	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Short-term loans payable	12,000,000	-	-	-	-	-
Investment corporation bond — unsecured	-	-	-	8,000,000	-	-
Long-term loans payable	-	10,500,000	25,000,000	4,000,000	-	-
Total	12,000,000	10,500,000	25,000,000	12,000,000	-	-

(Thousands of yen)

As of June 30, 2011	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Short-term loans payable	1,100,000	-	-	-	-	-
Investment corporation bond—unsecured	-	-	8,000,000	-	-	-
Long-term loans payable	-	20,500,000	15,000,000	4,000,000	-	13,500,000
Total	1,100,000	20,500,000	23,000,000	4,000,000	-	13,500,000

Note 10 – Derivative instruments**For the six months ended December 31, 2010:**

None

For the six months ended June 30, 2011:

Derivative instruments are used only for hedging purpose and subject to hedge accounting as following table shows.

As of June 30, 2011

(Thousands of yen)

AS of June 30, 2011			(Thousands of yen)			
Method of hedge accounting	Derivative instruments	Hedged item	Notional contract amount of derivative instruments		Fair value	Method used to estimate fair value
				Over 1 year		
Special treatment for hedge accounting of interest rate swaps (Note (i))	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term loans payable	8,500,000	8,500,000	Note (i)	-

Note:

- (i) The interest rate swaps which qualify for hedging accounting and meet specific criteria are not measured at fair value and interests received or paid under the interest rate swap contracts are recognized on an accrual basis. The fair value of the hedging interest rate swaps is included in the fair value of hedged long-term loans payable. Please refer to Note (i) in "Note 9 - Financial instruments (b) Quantitative information for financial instruments."

Note 11 – Related-party transactions

The following tables show related-party transactions for the six months ended December 31, 2010 and June 30, 2011.

For the six months ended December 31, 2010:

Type of related-party	Company name	Location	Share capital (Thousands of yen)	Business	Voting interest in the Investment Corporation	Relation with the Investment Corporation	Transactions for the period		Balance at end of the period	
							Type of transaction	Amounts (Thousands of yen)	Balance sheet account	Amounts (Thousands of yen)
Major unitholder	Mitsubishi Corporation	Chiyoda-ku, Tokyo	203,364,759	Trade and general business	Directly 12.14% Indirectly 0.75%	Underwriter of investment corporation bond	—	—	Investment corporation bond—unsecured	8,000,000
							Interest expenses on investment corporation bond ⁽ⁱⁱ⁾	120,326	Accrued expenses	79,638
Subsidiary of major unitholder	Mitsubishi Corp.-UBS Realty Inc. ⁽ⁱ⁾	Chiyoda-ku, Tokyo	500,000	Asset management	Directly 0.75%	The asset manager	Asset management fee ^{(iii)(iv)}	315,612	Accounts payable—other ^(iv)	165,243

For the six months ended June 30, 2011:

Type of related-party	Company name	Location	Share capital (Thousands of yen)	Business	Voting interest in the Investment Corporation	Relation with the Investment Corporation	Transactions for the period		Balance at end of the period	
							Type of transaction	Amounts (Thousands of yen)	Balance sheet account	Amounts (Thousands of yen)
Major unitholder	Mitsubishi Corporation	Chiyoda-ku, Tokyo	204,446,667	Trade and general business	Directly 10.25% Indirectly 0.64%	Underwriter of investment corporation bond	—	—	Investment corporation bond—unsecured	8,000,000
							Interest expenses on investment corporation bond ⁽ⁱⁱ⁾	115,678	Accrued expenses	77,165
Subsidiary of major unitholder	Mitsubishi Corp.-UBS Realty Inc. ⁽ⁱ⁾	Chiyoda-ku, Tokyo	500,000	Asset management	Directly 0.64%	The asset manager	Asset management fee ^{(iii)(iv)}	335,201	Accounts payable—other ^(iv)	177,899
	Godo Kaisha Industrial Akanehama ⁽ⁱ⁾	Chuo-ku, Tokyo	100	Real estate rental	—	—	Acquisition of trust beneficiary interests in real estate trust ^(v)	3,350,000	—	—

Notes:

- (i) The company is subsidiary of Mitsubishi Corporation.
- (ii) The terms and conditions of the investment corporation bond were reasonably decided based on the comparative analyses of the various third party cases including analysis of the interest rate spreads with other J-REIT senior bank loans and subordinated bonds issued by banks and analysis of the costs of debt and capital.
- (iii) The asset management fee has been decided based on third party transactions.
- (iv) Consumption taxes are excluded from the amounts of transactions, but included in the amounts of balances.
- (v) The acquisition amount was decided through negotiation with the seller based on an appraisal value by a real estate appraiser.

Note 12 – Income taxes

Deferred tax assets consist of the following:

	(Thousands of yen)	
	As of	
	December 31, 2010	June 30, 2011
Deferred tax assets:		
Current:		
Enterprise tax payable	19	19
Total	19	19
Net deferred tax assets	19	19

A reconciliation of the Investment Corporation's effective tax rates and statutory tax rates are as follows:

	For the six months ended	
	December 31, 2010	June 30, 2011
Statutory tax rate	39.33%	39.33%
Deductible cash distributions	(39.28)	(39.29)
Other	0.07	0.06
Effective tax rate	0.12%	0.10%

Note 13 – Asset retirement obligations

As the Investment Corporation owns IIF Haneda Airport Maintenance Center with the permission for use of the underlying land granted by the Secretary of Tokyo Regional Civil Aviation Bureau under the National Property Act of Japan, the Investment Corporation is obliged to demolish the building and restore the land if the permission is not to be extended or is to be revoked. The Investment Corporation, however, expects that, unless exceptional circumstances arise, the permission will continue to be granted until the Investment Corporation voluntarily demolish the property considering the past practice relating to the extension and revocation of permission under the National Property Act and the importance of the property as public infrastructure. As the Investment Corporation intends to keep the property in the foreseeable future, it is difficult to determine the timing of performance of the asset retirement obligation and as such it is impossible to foresee the amount of the asset retirement obligation reasonably. Therefore, the Investment Corporation does not recognize such obligation as a liability.

Note 14 – Fair value of investment and rental property

The Investment Corporation has mainly industrial and infrastructure facilities as investment and rental properties which are located mainly in three major metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended December 31, 2010 and June 30, 2011.

	(Thousands of yen)	
	As of / For the six months ended	
	December 31, 2010	June 30, 2011
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	96,001,935	96,704,507
Net increase during the period ⁽ⁱⁱ⁾	702,572	11,299,321
Balance at the end of the period	96,704,507	108,003,829
Fair value⁽ⁱⁱⁱ⁾	93,970,000	106,090,000

Note:

(i) The net book value includes leasehold right.

(ii) Changes in the net book value are mainly due to the following transactions (except for depreciation):

			Increase (decrease) in net book value
			(Thousands of yen)
<i>For the six months ended December 31, 2010:</i>	Acquisitions:	IIF Yokohama Tsuzuki Technology Center	1,166,015
	Capital expenditures:	IIF Koshigaya Logistics Center	71,257
<i>For the six months ended June 30, 2011:</i>	Acquisitions:	IIF Nagoya Logistics Center	1,084,313
		IIF Yokohama Tsuzuki Logistics Center	2,454,584
		IIF Atsugi Logistics Center II	3,279,364
		IIF Saitama Logistics Center	1,558,843
		IIF Narashino Logistics Center II (land with leasehold interest)	3,435,557

(iii) Fair value has been determined based on the appraisal or researched value provided by independent real estate appraisers.

For rental revenues and expenses for the six months ended December 31, 2010 and June 30, 2011, please refer to “Note 5 - Rent revenue—real estate and expenses related to rent business.”

Note 15 – Segment information

Segment information for the six months ended December 31, 2010 and June 30, 2011 is as follows:

(a) Operating segment information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide disclosures**(i) Information about products and services**

Disclosure is not required as revenues from external customers for the single segment are in excess of 90% of total revenues.

(ii) Information about geographic areas**Revenues from overseas customers:**

Disclosure is not required as revenues from external customers attributable to Japan are in excess of 90% of

total revenues.

Tangible fixed assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about major customers

For the six months ended December 31, 2010:

(Thousands of yen)

Name of customer	Revenues for the period	Relating segment
Japan Airlines International Co., Ltd.	1,342,140	Property rental business
Sagawa Express Co., Ltd.	565,915	Property rental business
Osaka Gas Co., Ltd.	378,090	Property rental business

For the six months ended June 30, 2011:

(Thousands of yen)

Name of customer	Revenues for the period	Relating segment
Japan Airlines Co., Ltd. ⁽ⁱ⁾	1,423,690	Property rental business
Sagawa Express Co., Ltd.	566,285	Property rental business
Osaka Gas Co., Ltd.	378,090	Property rental business

Note:

(i) The company name was changed from Japan Airlines International Co., Ltd. on April 1, 2011.

Note 16 – Per unit information

The net asset value per unit as of December 31, 2010 and June 30, 2011 was ¥472,294 and ¥462,059, respectively. Net income per unit for the six months ended December 31, 2010 and June 30, 2011 was ¥10,102 and ¥11,581, respectively.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding during the six-month period. The Investment Corporation has no potentially dilutive units.

A basis of calculation of net income per unit is as follows:

(Thousands of yen)

	For the six months ended	
	December 31, 2010	June 30, 2011
Net income	798,412	1,022,368
Effect of dilutive unit	-	-
Net income available to common unitholders	798,412	1,022,368
Weighted-average number of units outstanding for the period	79,035 units	88,274 units

Note 17 – Subsequent events

For the six months ended December 31, 2010:

Issuance of new investment units

The Board of Directors of the Investment Corporation, at its meeting held on February 21, 2011, resolved to issue new investment units as bellow. The issue price shall be determined at the Board of Directors Meeting to be held in early part of March 2011.

(a) Issuance of new investment units through public offering

Number of investment units to be offered: 14,200 investment units

(b) Issuance of new investment units through third-party allotment

Number of investment units to be offered: 1,400 investment units

Allottee: Nomura Securities Co., Ltd.

The number of new investment units to be offered through third-party allotment indicates the maximum number of units to be offered. Depending on demand and other factors, the number of units may be reduced, or the issuance through third-party allotment itself may not be conducted.

(c) Use of proceeds

The Investment Corporation will use the net proceeds from the public offering and third-party allotment for acquisition of additional specified assets.

For the six months ended June 30, 2011:

Early Redemption of Investment Corporation Bond

The Board of Directors of the Investment Corporation, at its meeting held on August 10, 2011, resolved to redeem all investment corporation bond in advance of the due date from Mitsubishi Corporation at a price of ¥8,000,000 thousand (par value) by raising funds through new loans payable, and the Investment Corporation has completed this early redemption of investment corporation bond on August 31, 2011.

As a result of the early redemption of investment corporation bond, the Investment Corporation estimates that interest expenses for the six months ending December 31, 2011 will decrease by approximately ¥8 million after offsetting incremental interest expenses on the new loans payable.

[Omission of disclosure]

Notes relating to investment securities and retirement benefits are omitted as immaterial.

(7) Changes in unit issued and outstanding

The outline of changes in unitholders' capital was as follows:

Date	Capital transaction	Number of units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 26, 2007	Private placement for incorporation	400	400	200	200	Note 1
October 17, 2007	Public offering	76,000	76,400	35,112	35,312	Note 2
November 19, 2007	Allocation of investment units to a third party	2,635	79,035	1,217	36,529	Note 3
March 8, 2011	Public offering	14,200	93,235	5,556	42,085	Note 4
March 24, 2011	Allocation of investment units to a third party	397	93,632	155	42,241	Note 5

Note 1 The Investment Corporation was incorporated through private placement at a price of ¥500,000 per unit.

Note 2 New investment units were issued at a price of ¥480,000 per unit (subscription price of ¥462,000 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 3 New investment units were issued at a price of ¥462,000 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 4 New investment units were issued at a price of ¥405,945 per unit (subscription price of ¥391,297 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 5 New investment units were issued at a price of ¥391,297 per unit through the allocation of investment units to a third-party in order to raise funds for acquiring new real property.

Note 6 All investment units are common investment units.

4. Changes in officers

Changes in officers had been otherwise disclosed under the rule of timely disclosure.

5. Additional information

(1) Composition of assets

Classification of assets	Asset category	Location category (Note 1)	Region	As of December 31, 2010		As of June 30, 2011	
				Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)	Total of net book value (Millions of yen)	Composition ratio (Note 2) (%)
Real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	2,389	2.3	5,688	5.0
			Osaka and Nagoya metropolitan areas	—	—	1,084	1.0
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	41,564	39.9	41,326	36.5
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
Trust beneficial interest in real property	Logistics facilities or Manufacturing and R&D facilities, etc. (Industrial properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	33,538	32.2	40,827	36.1
			Osaka and Nagoya metropolitan areas	1,260	1.2	1,249	1.1
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
	Infrastructure facilities (Infrastructure properties)	Urban and suburban or Industrial-area	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	17,952	17.3	17,828	15.7
			Other area	—	—	—	—
		Other	Tokyo metropolitan area	—	—	—	—
			Osaka and Nagoya metropolitan areas	—	—	—	—
			Other area	—	—	—	—
Sub-total				96,704	92.9	108,003	95.4
Bank deposits and other assets				7,356	7.1	5,258	4.6
Total assets				104,060	100.0	113,262	100.0
Total liabilities				66,733	64.1	69,998	61.8
Total net assets				37,327	35.9	43,263	38.2

Note 1 “Location category” is classified as below.

Location category	Description
Urban and suburban properties	Properties located in Japan's three major urban areas ⁽ⁱ⁾ , cities designated by government ordinance, or similar areas
Industrial-area properties	Generally, properties located in industrial zones ⁽ⁱⁱ⁾ that generate more than ¥1 trillion in manufactured product shipments
Other properties	Properties that do not fall within either of the above categories but have an expected risk/return profile suitable for investment

(i) Japan's three major urban areas are the greater Tokyo, Osaka and Nagoya areas. The greater Tokyo area consists of Tokyo, Kanagawa, Chiba and Saitama prefectures; the greater Osaka area consists of Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama prefectures; and the greater Nagoya area consists of Aichi, Mie and Gifu prefectures.

(ii) Industrial zones means industrial zones as defined in the Report on Industry Statistics issued by Ministry of Economy, Trade and Industry of Japan.

Note 2 “Composition ratio” is calculated by rounding to the nearest first decimal place.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of June 30, 2011 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m ²)	Leased area (Note 2) (m ²)	Occupancy ratio (Note 3) (%)	Ratio of rental revenue to total rental revenues (Note 3) (%)	Major use
IIF Haneda Airport Maintenance Center	41,326	81,995.81	81,995.81	100.0	43.2	Infrastructure facility
IIF Kobe District Heating and Cooling Center	17,828	11,189.36	10,909.23	97.5	11.5	Infrastructure facility
IIF Shinonome Logistics Center (Note 4)	13,492	27,493.29	27,493.29	100.0	12.1	Logistics facility
IIF Noda Logistics Center	6,130	38,828.10	38,828.10	100.0	7.3	Logistics facility
IIF Shinsuna Logistics Center	5,339	5,741.75	5,741.75	100.0	5.1	Logistics facility
IIF Totsuka Technology Center (land with leasehold interest)	4,553	31,442.47	31,442.47	100.0	4.4	Manufacturing and R&D facility, etc.
IIF Narashino Logistics Center II (land with leasehold interest)	3,435	58,070.00	58,070.00	100.0	1.2	Logistics facility
IIF Atsugi Logistics Center II (Note 5)	3,270	20,661.13	20,661.13	100.0	—	Logistics facility
IIF Yokohama Tsuzuki Logistics Center (Note 5)	2,446	9,464.03	9,464.03	100.0	—	Logistics facility
IIF Koshigaya Logistics Center	1,987	10,113.50	10,113.50	100.0	2.3	Logistics facility
Total	99,810	294,999.44	294,719.31	99.9	90.9	

Note 1 “Leasable area” means the leasable area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leasable area shows a total area of the building indicated in the registry book.

Note 2 “Leased area” means the leased area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leased area shows a total area of the building indicated in the registry book.

Note 3 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area and leased area of the property show 53% of the total leasable area or leased area as the share of quasi-co-ownership.

Note 5 “Ratio of rental revenue to total rental revenues” is undisclosed because the consent from the tenant has not been acquired.

The details of logistics facilities, manufacturing and R&D facilities, etc. or infrastructure facilities held by the Investment Corporation as of June 30, 2011 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
IIF Shinonome Logistics Center (Note 4)	13-32, Shinonome 2-chome, Koto-ku, Tokyo	Trust beneficial interest	27,493.29	14,000	13,492
IIF Noda Logistics Center	340-13, Aza Tamedai, Nishi-sangao, Noda-shi, Chiba	Trust beneficial interest	38,828.10	6,490	6,130
IIF Shinsuna Logistics Center	5-15, Shinsuna 3-chome, Koto-ku, Tokyo	Trust beneficial interest	5,741.75	5,710	5,339
IIF Atsugi Logistics Center	19, Aza Ikoda, Hase 6-chome, Atsugi-shi, Kanagawa	Trust beneficial interest	10,959.68	2,140	1,890
IIF Koshigaya Logistics Center	1-1, Ryutsudanchi 4-chome, Koshigaya-shi, Saitama	Trust beneficial interest	10,113.50	2,200	1,987
IIF Nishinomiya Logistics Center	2, Nishinomiyahama 1-chome, Nishinomiya-shi, Hyogo	Trust beneficial interest	10,608.00	1,430	1,249
IIF Narashino Logistics Center (land with leasehold interest)	34-9, Akanehama 3-chome, Narashino-shi, Chiba	Real property	19,834.71	1,970	1,223
IIF Narashino Logistics Center II (land with leasehold interest)	34-1, Akanehama 3-chome, Narashino-shi, Chiba	Trust beneficial interest	58,070.00	3,770	3,435
IIF Atsugi Logistics Center II	602-9, Aza Kitaya, Funako, Atsugi-shi, Kanagawa	Real property	20,661.13	3,190	3,270
IIF Yokohama Tsuzuki Logistics Center	747-1, Aza Minamikochi, Kawamukou-cho, Tsuzuki-ku Yokohama-shi, Kanagawa	Trust beneficial interest	9,464.03	2,580	2,446
IIF Saitama Logistics Center	398-3, Yoshino-cho 1-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	8,995.00	1,700	1,552
IIF Nagoya Logistics Center	27, Yanagida-cho 2-chome, Nakagawa-ku, Nagoya-shi, Aichi	Real property	8,721.01	1,110	1,084
IIF Totsuka Technology Center (land with leasehold interest)	334-1, Uchikune, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	31,442.47	4,760	4,553
IIF Yokohama Tsuzuki Technology Center	25-2, Kitayamada 4-chome, Tsuzuki-ku, Yokohama-shi, Kanagawa	Real property	4,655.48	1,240	1,193
IIF Kobe District Heating and Cooling Center	8-2, Higashikawasaki-cho 1-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	11,189.36	15,800	17,828
IIF Haneda Airport Maintenance Center	5-1 and 2, Haneda Airport 3-chome, Ota-ku, Tokyo	Real property	81,995.81	38,000	41,326
Total			358,773.32	106,090	108,003

Note 1 “Location” means the residence indication or the location indicated in the land registry book.

Note 2 “Leasable area” means the leasable area of the building or land of each property indicated in the lease agreement, except for IIF Shinsuna Logistics Center of which leasable area shows a total area of the building indicated in the registry book.

Note 3 “Appraisal value at end of period” shows the value appraised or researched by the real estate appraiser in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of the Investment Corporation as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 4 The Investment Corporation owns 53% of the trust beneficial interest in the property. The leasable area of the property shows 53% of the total leasable area as the share of quasi-co-ownership.

Operating results of each property for the six months ended December 31, 2010 and June 30, 2011 were as follows:

Name of property	For the six months ended							
	December 31, 2010				June 30, 2011			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
IIF Shinonome Logistics Center	1	100.0	397	13.4	1	100.0	397	12.1
IIF Noda Logistics Center	2	100.0	243	8.2	2	100.0	239	7.3
IIF Shinsuna Logistics Center	1	100.0	168	5.7	1	100.0	168	5.1
IIF Atsugi Logistics Center	1	100.0	74	2.5	1	100.0	74	2.3
IIF Koshigaya Logistics Center	1	100.0	114	3.9	1	100.0	75	2.3
IIF Nishinomiya Logistics Center	1	100.0	59	2.0	1	100.0	59	1.8
IIF Narashino Logistics Center (land with leasehold interest) (Note 3)	1	100.0	—	—	1	100.0	—	—
IIF Narashino Logistics Center II (land with leasehold interest)	—	—	—	—	1	100.0	40	1.2
IIF Atsugi Logistics Center II (Note 3)	—	—	—	—	1	100.0	—	—
IIF Yokohama Tsuzuki Logistics Center (Note 3)	—	—	—	—	1	100.0	—	—
IIF Saitama Logistics Center	—	—	—	—	1	100.0	36	1.1
IIF Nagoya Logistics Center	—	—	—	—	1	100.0	28	0.9
IIF Totsuka Technology Center (land with leasehold interest)	1	100.0	138	4.7	1	100.0	146	4.4
IIF Yokohama Tsuzuki Technology Center	1	100.0	3	0.1	1	100.0	56	1.7
IIF Kobe District Heating and Cooling Center	1	97.5	378	12.8	1	97.5	378	11.5
IIF Haneda Airport Maintenance Center	1	100.0	1,342	45.3	1	100.0	1,424	43.2
Total (Note 4)	12	99.9	2,962	100.0	17	99.9	3,295	100.0

Note 1 “Number of tenants” shows the number of lessee for the properties. The total column of “Number of tenants” shows the simple sum for the number of lessee.

Note 2 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place.

Note 3 “Ratio of rental revenue to total rental revenues” is undisclosed because the consent from the tenant has not been acquired.

Note 4 The total column of “Occupancy ratio” shows percentage of total leased area against total leasable area at the end of accounting period. Figures are rounded to the nearest first decimal place.