

Reference Material for Financial Results for the Period Ended June 2011 (8th Period)

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Balance Sheet as of June 30, 2011

	(thousand yen)			
	Previous Period	Current Period	Change	
	(As of December 2010)	(As of June 2011)	Amount	Y/Y (%)
Assets				
Current Assets				
Cash and cash equivalents	5,435,254	2,647,904	Δ2,787,349	
Cash and deposit in trust	1,231,979	1,371,266	139,286	
Accrued revenue	2,976	3,314	337	
Prepaid expense	259,459	606,757	347,298	
Deferred tax assets	19	19	—	
Accrued refunded income taxes	105,047	108,416	3,369	
Others	399	45	Δ354	
Total Current Assets	7,035,136	4,737,725	Δ2,297,411	Δ32.7
Fixed Assets				
Tangible fixed assets				
Buildings (net amount)	22,100,997	23,423,321	1,322,324	
Structures (net amount)	—	1,647	1,647	
Land	2,018,489	4,839,720	2,821,231	
Buildings in trust (net amount)	19,274,849	20,693,954	1,419,104	
Structures in trust (net amount)	192,185	181,929	Δ10,256	
Tools, furniture and fixtures in trust (net amount)	1,750	2,810	1,059	
Land in trust	33,282,269	39,026,479	5,744,209	
Total Tangible Fixed Assets	76,870,541	88,169,862	11,299,321	14.7
Intangible Fixed Assets				
Leasehold land	19,833,966	19,833,966	—	
Total Intangible Fixed Assets	19,833,966	19,833,966	—	0.0
Investments and Other Assets				
Deposit and guarantee money	10,000	10,000	—	
Long-term prepaid expense	293,967	448,763	154,796	
Total Investments and Other Assets	303,967	458,763	154,796	50.9
Total Fixed Assets	97,008,475	108,462,592	11,454,117	11.8
Deferred Assets				
Investment unit delivery expense	—	47,328	47,328	
Investment corporation bond issue expense	17,348	14,609	Δ2,739	
Total Deferred Assets	17,348	61,937	44,588	257.0
Total Assets	104,060,960	113,262,254	9,201,294	8.8

	(thousand yen)			
	Previous Period	Current Period	Change	
	(As of December 2010)	(As of June 2011)	Amount	Y/Y (%)
Liabilities				
Current Liabilities				
Accounts payable-trade	170,563	43,554	Δ127,008	
Short-term borrowing	12,000,000	1,100,000	Δ10,900,000	
Accrued liabilities	220,171	271,162	50,991	
Accrued expenses	81,375	82,182	806	
Income taxes payable	665	803	138	
Advance received	485,671	898,440	412,769	
Others	50,296	7,798	Δ42,497	
Total Current Liabilities	13,008,743	2,403,942	Δ10,604,800	Δ81.5
Long-term Liabilities				
Investment corporation bond	8,000,000	8,000,000	—	
Long-term borrowing	39,500,000	53,000,000	13,500,000	
Deposit and guarantee money received	1,107,609	1,297,470	189,860	
Deposit and guarantee money received in trust	5,010,435	5,199,100	188,665	
Others	106,374	98,225	Δ8,149	
Total Long-term 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				
Total contribution	36,529,370	42,241,132	5,711,762	15.6
Retained Earnings				
Unappropriated profit for the period or undisposed loss for the period (Δ)	798,426	1,022,383	223,956	
Total Retained Earnings	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	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

Income Statement for the Period Ended June 2011

	Previous Period (As of December 2010)	Current Period (As of June 2011)	(thousand yen)	
			Change Amount	Y/Y (%)
Operating Income				
Income from lease business	2,962,317	3,295,735	333,417	
Total Operating Income	2,962,317	3,295,735	333,417	11.3
Operating Expense				
Expense of lease business	1,166,896	1,253,190	86,293	
Asset management fee	315,612	335,201	19,589	
Director's fee	5,820	5,820	—	
Asset custody fee	5,227	5,499	271	
Commission for general administrative work	21,394	21,740	345	
Other operating expense	82,689	51,554	△31,135	
Total Operating Expense	1,597,640	1,673,005	75,364	4.7
Operating Profit	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	
Reversal of accrued dividends	—	445	445	
Total Non-Operating Income	1,656	3,509	1,853	111.9
Non-Operating Expense				
Interest expense	282,891	313,528	30,637	
Interest on investment corporation bond	120,326	115,678	△4,647	
Amortization of investment corporation bond issue expense	2,739	2,739	—	
Loan-related expense	140,302	144,446	4,143	
Amortization of investment unit delivery expense	17,138	5,916	△11,222	
Others	3,525	5,359	1,834	
Total Non-Operating Expense	566,923	587,669	20,745	3.7
Ordinary Profit	799,410	1,038,570	239,160	29.9
Extraordinary Loss				
Disaster loss	—	15,205	15,205	
Total Extraordinary Loss	—	15,205	15,205	—
Net income before income taxes	799,410	1,023,364	223,954	28.0
Income, inhabitant and enterprise taxes	996	996	△0	
Income taxes - deferred	0	—	△0	
Total Income Taxes	996	996	△0	△0.1
Net Income	798,412	1,022,368	223,955	28.1
Unappropriated retained earnings brought forward	13	15	1	
Unappropriated profit for the period or undisposed loss for the period (△)	798,426	1,022,383	223,956	

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

Notes: 2) The current period (Period ended June 2011) is from January 1, 2011 to June 30, 2011 (period of management: 181days).

Statement of Cash Flow and Statement of Dividend for the Period Ended June 2011

	(thousand yen)		
	Previous Period (As of December 2010)	Current Period (As of June 2011)	Change
Cash flow from operating activities			
Net income before income taxes	799,410	1,023,364	223,954
Depreciation	567,045	575,245	8,199
Amortization of investment corporation bond issue expense	2,739	2,739	—
Amortization of investment unit delivery expense	17,138	5,916	△ 11,222
Interest income	△ 1,656	△ 964	692
Interest expense	403,218	429,207	25,989
Disaster loss	—	15,205	15,205
Decrease in trade accounts receivable (△ indicates an increase)	136,837	△ 337	△ 137,174
Decrease in accrued consumption taxes (△ indicates an increase)	△ 100,304	△ 6,609	93,694
Decrease in prepaid expense (△ indicates an increase)	△ 62,719	△ 347,298	△ 284,578
Decrease in long-term prepaid expense (△ indicates an increase)	△ 82,222	△ 154,796	△ 72,573
Increase in trade accounts payable (△ indicates a decrease)	△ 61,366	△ 58,779	2,587
Increase in other accounts payable (△ indicates a decrease)	13,555	2,280	△ 11,274
Increase in accrued expenses (△ indicates a decrease)	60	4,891	4,830
Increase in consumption taxes payable (△ indicates a decrease)	△ 284,730	—	284,730
Increase in advance received (△ indicates a decrease)	28,817	412,769	383,951
Increase in other long-term liabilities (△ indicates a decrease)	△ 8,150	△ 8,149	0
Others	41,595	△ 41,573	△ 83,169
Subtotal	1,409,266	1,853,110	443,844
Interest received	1,656	964	△ 692
Interest paid	△ 403,320	△ 433,292	△ 29,971
Disaster loss incurred	—	△ 2,215	△ 2,215
Income taxes paid	△ 1,152	△ 858	294
Cash flow from operating activities	1,006,449	1,417,709	411,260

	(yen)		
	Previous Period (As of December 2010)	Current Period (As of June 2011)	Change
Unappropriated profit for the period	798,426,613	1,022,383,415	223,956,802
Dividend paid	798,411,570	1,022,367,808	223,956,238
Dividend paid per investment unit	10,102	10,919	817
Retained earnings carried forward	15,043	15,607	564

	(thousand yen)		
	Previous Period (As of December 2010)	Current Period (As of June 2011)	Change
Cash flow from investing activities			
Payments for purchase of tangible fixed assets	△ 1,160,693	△ 4,409,978	△ 3,249,285
Payments for purchase of tangible fixed assets in trust	—	△ 7,523,916	△ 7,523,916
Proceeds from receiving deposit and guarantee money	92,000	189,860	97,860
Proceeds from receiving deposit and guarantee money in trust	—	265,925	265,925
Payments for return of deposit and guarantee money paid in trust	△ 22,944	△ 77,260	△ 54,315
Cash flow from investing activities	△ 1,091,638	△ 11,555,369	△ 10,463,731
Cash flow from financing activities			
Proceeds from short-term borrowing	—	9,200,000	9,200,000
Payments for repayment of short-term borrowing	△ 2,000,000	△ 20,100,000	△ 18,100,000
Proceeds from long-term borrowing	17,000,000	13,500,000	△ 3,500,000
Payments for repayment of long-term borrowing	△ 15,000,000	—	15,000,000
Proceeds from issuance of units	—	5,688,577	5,688,577
Payments of dividends	△ 1,282,259	△ 798,981	483,278
Cash flow from financing activities	△ 1,282,259	7,489,596	8,771,856
Change in cash and cash equivalents (△ indicates a decrease)	△ 1,367,448	△ 2,648,062	△ 1,280,614
Cash and cash equivalents, beginning of period	8,034,682	6,667,234	△ 1,367,448
Cash and cash equivalents, end of period	6,667,234	4,019,171	△ 2,648,062

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

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Income of Each Property

(million yen)

Account	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II)	
	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period
Rent	397	397	225	223	168	168	74	74	74	75	59	59	41	41	-	40
Others	-	-	18	16	-	-	0	0	40	0	-	-	-	-	-	-
Total Income	397	397	243	239	168	168	74	74	114	75	59	59	41	41	-	40
Administrative expense	1	0	6	6	0	0	0	0	1	0	0	0	0	0	-	0
Water supply and utilities expense	-	-	11	9	-	-	-	-	0	0	-	-	-	-	-	-
Taxes and Public Dues	31	31	22	22	16	16	6	6	4	4	8	8	-	1	-	0
Repair Expense	0	0	-	0	0	-	-	0	65	0	-	-	-	-	-	-
Others	1	1	1	1	1	1	1	1	1	0	1	1	0	0	-	0
Total Expense	33	33	42	40	18	18	8	8	73	7	11	11	0	1	-	0
NOI	363	364	200	199	149	149	66	66	40	67	48	48	41	39	-	40
Depreciation	46	46	58	58	13	13	31	31	18	21	11	11	-	-	-	-
Income from real estate lease business	316	317	141	140	136	136	34	34	22	46	37	37	41	39	-	40
Deposit	1,457	1,457	225	222	84	84	74	74	-	37	89	89	41	41	-	115
Guarantee money	-	-	-	-	308	269	-	-	-	-	-	-	-	-	-	-
Deposits received at the end of period	1,457	1,457	225	222	393	354	74	74	-	37	89	89	41	41	-	115

(million yen)

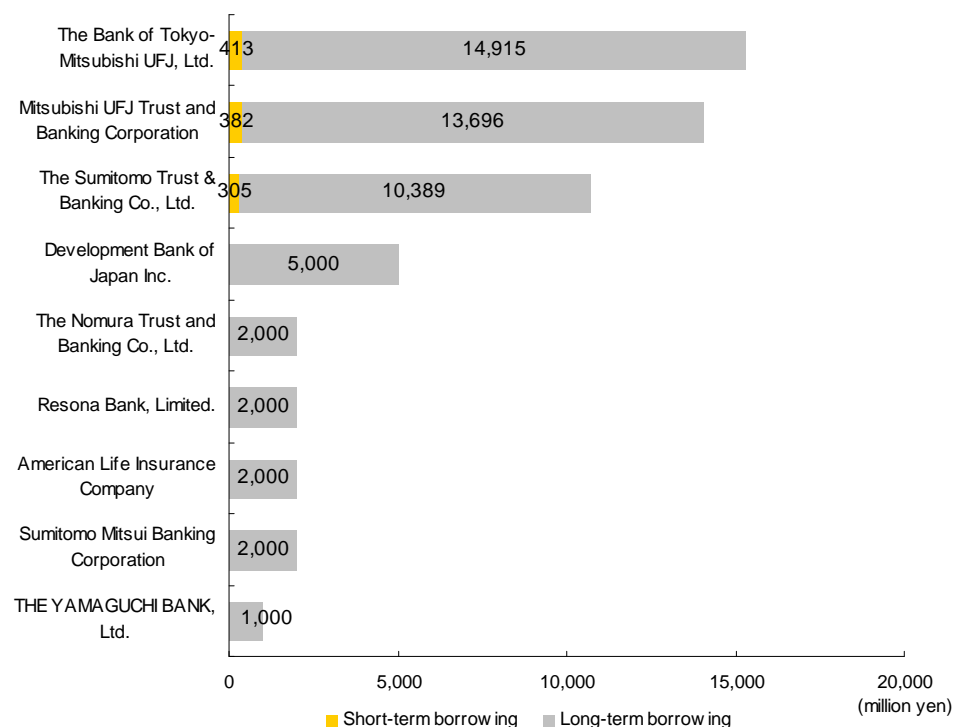
Account	L11 (Atsugi II)		L12 (Yokohama Tsuzuki)		L13 (Saitama)		L14 (Nagoya)		F1 (Totsuka)		F2 (Yokohama Tsuzuki)		I-1 (Kobe)		I-2 (Haneda)		Results as of the end of previous period	Results as of the end of current period
	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period		
Rent	-	75	-	51	-	36	-	28	138	146	3	56	377	377	1,342	1,423	2,902	3,277
Others	-	0	-	0	-	0	-	0	-	0	-	-	1	1	0	0	59	17
Total Income	-	75	-	51	-	36	-	28	138	146	3	56	378	378	1,342	1,424	2,962	3,295
Administrative expense	-	3	-	2	-	0	-	0	0	0	0	6	0	0	1	1	14	26
Water supply and utilities expense	-	-	-	0	-	-	-	-	-	-	-	-	3	2	-	-	15	12
Taxes and Public Dues	-	0	-	0	-	0	-	0	-	8	-	4	13	13	107	107	211	225
Repair Expense	-	0	-	0	-	1	-	-	-	-	-	0	11	1	-	-	77	4
Others	-	0	-	0	-	0	-	0	0	0	0	0	4	1	266	396	279	407
Total Expense	-	3	-	2	-	1	-	0	0	9	0	12	33	18	375	505	599	677
NOI	-	71	-	48	-	34	-	28	137	137	2	44	344	359	966	918	2,362	2,617
Depreciation	-	8	-	8	-	6	-	1	-	-	0	4	124	124	261	237	567	575
Income from real estate lease business	-	62	-	40	-	27	-	26	137	137	2	40	220	235	704	680	1,795	2,042
Deposit	-	141	-	42	-	33	-	48	276	276	92	92	2,493	2,493	973	973	5,808	6,225
Guarantee money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308	269
Deposits received at the end of period	-	141	-	42	-	33	-	48	276	276	92	92	2,493	2,493	973	973	6,117	6,495

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Notes: 2) The current period (Period ended June 2011) is from January 1, 2011 to June 30, 2011 (period of management: 181days).

Details of Borrowing

Status of Lending Financial Institutions



	Classification	Date of Borrowing	Outstanding Balance at the End of Period (million yen)	Average Interest Rate (Note) (%)	Date for Repayment
	Lender				
Short-term borrowing	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 30, 2011	413	0.8	September 30, 2011
	Mitsubishi UFJ Trust and Banking Corporation		382		
	The Sumitomo Trust and Banking Co., Ltd.		305		
	Subtotal		1,100		
Long-term borrowing	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 20, 2009	4,050	1.6	October 19, 2012
	Mitsubishi UFJ Trust and Banking Corporation		3,675		
	The Sumitomo Trust and Banking Co., Ltd.		2,775		
	American Life Insurance Company	December 25, 2009	2,000	1.7	December 25, 2014
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 26, 2010	3,765	1.1	February 28, 2013
	Mitsubishi UFJ Trust and Banking Corporation		3,471		
	The Sumitomo Trust and Banking Co., Ltd.		2,764		
	The Sumitomo Trust and Banking Co., Ltd.	September 30, 2010	2,500	0.9	September 30, 2013
	Nomura Trust and Banking Co., Ltd.		2,000		
	Resona Bank, Limited.		2,000		
	THE YAMAGUCHI BANK, Ltd.		1,000		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 19, 2010	3,900	0.9	October 18, 2013
	Mitsubishi UFJ Trust and Banking Corporation		3,600		
	Sumitomo Mitsui Banking Corporation	December 30, 2010	2,000	1.0	December 30, 2014
	Development Bank of Japan Inc.	February 28, 2011	5,000	1.7	February 27, 2018
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 11, 2011	3,200	1.0 (Note 2)	March 09, 2018
	Mitsubishi UFJ Trust and Banking Corporation		2,950		
	The Sumitomo Trust and Banking Co., Ltd.		2,350		
	Subtotal		53,000		
	Total		54,100		

Notes: 1) The average interest rate is the weighted interim average interest rate rounded to the nearest tenth of a unit.

Notes: 2) An interest rate swap agreement was signed on March 9, 2011 to fix the interest rate. The interest rate after July 1, 2011 is 1.765%.

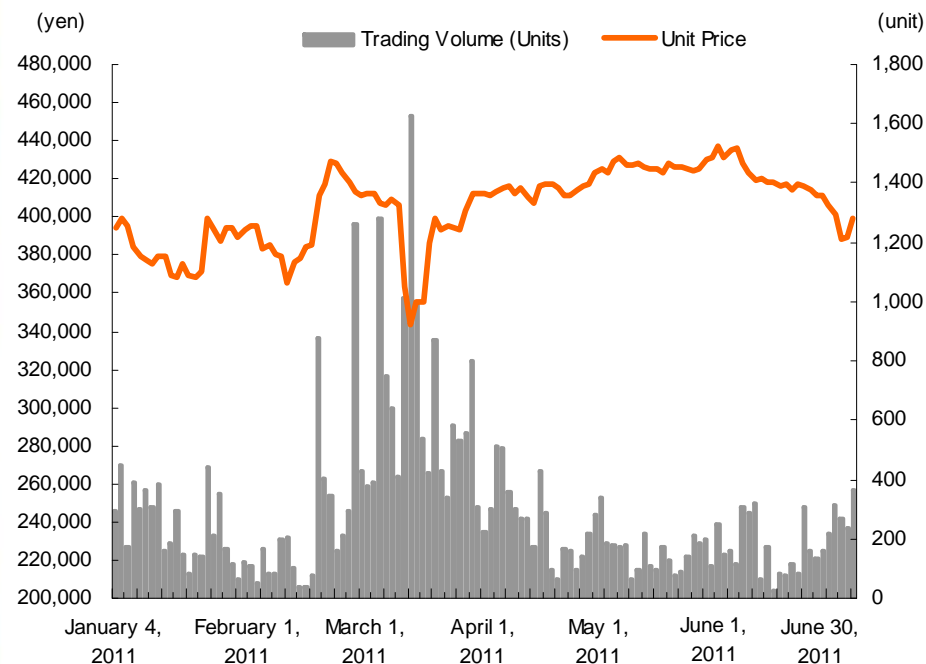
Status of Investment Corporation Bond

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

Note: The interest rate applied to the period from March 1, 2011 to August 31, 2011 is 2.846250%. Newly borrowed funds from a subordinated loan and long-term borrowing on August 31, 2011 are mainly used for this bond, and part of the bond is expected to be redeemed in full before maturity by using cash on hand.

Unit Price Performance

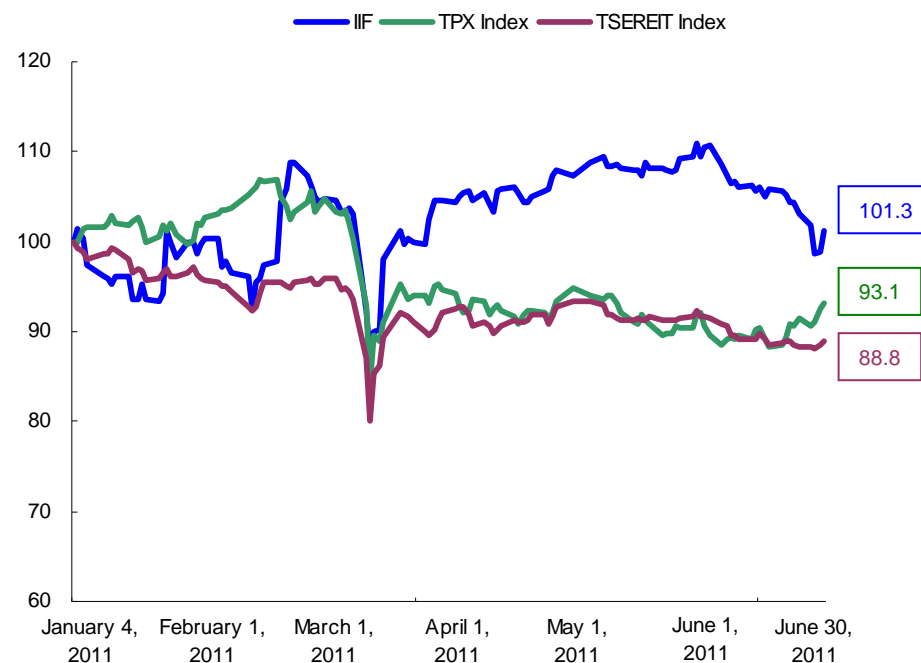
Unit Price Performance Since the Beginning of the Period (January 4 to June 30, 2011)



Highest price	437,000 yen	(as of May 31, 2011)
Lowest price	343,000 yen	(as of March 15, 2010)
Unit price (simple average)	404,909 yen	(as of June 30, 2011)
Total trading volume	35,502 units	(as of June 30, 2011)
Average daily trading volume	293 units	(as of June 30, 2011)

Note) Based on the closing price.
Source: Bloomberg

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



Notes: 1) Based on the closing price.

Notes: 2) Assuming the closing price on January 4, 2011 was 100.

Source: Bloomberg

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- ▶ 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.

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