



**Industrial & Infrastructure Fund
Investment Corporation**

<http://www.iif-reit.com/>



Investor Presentation for the 9th Period



Ticker

3249

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1. Executive Summary

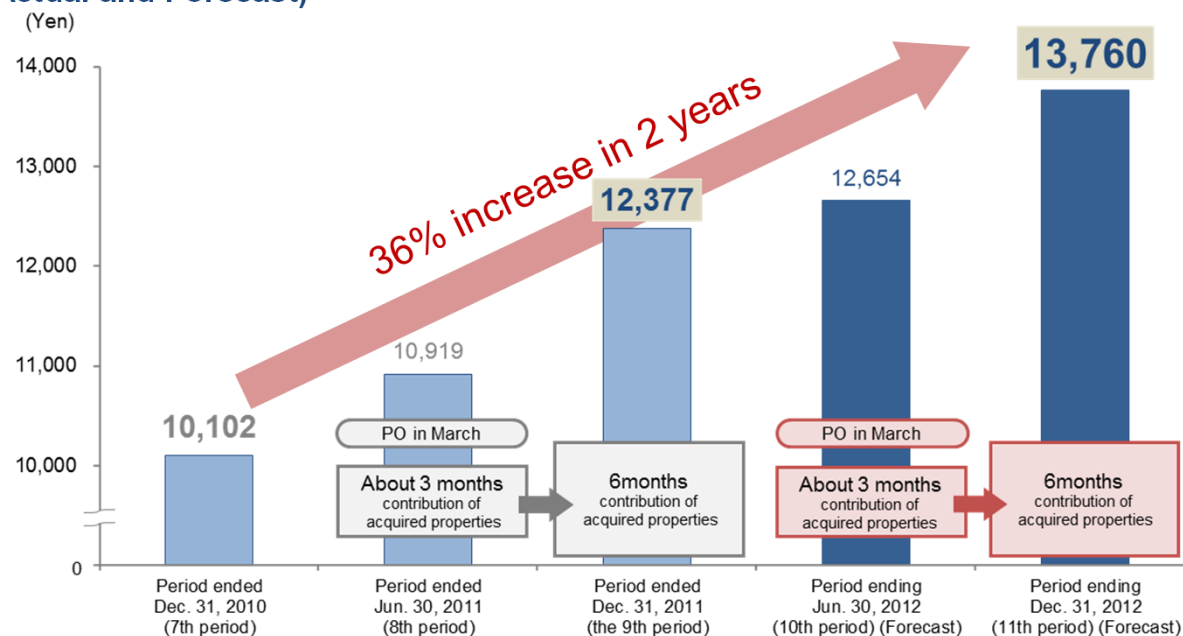
Executive Summary (1)

Four Consecutive Periods of Revenue/Income/DPU Increase - Portfolio Expansion through Back-to-back POs

Operating Results and Forecasts (Announced on February 15, 2012)

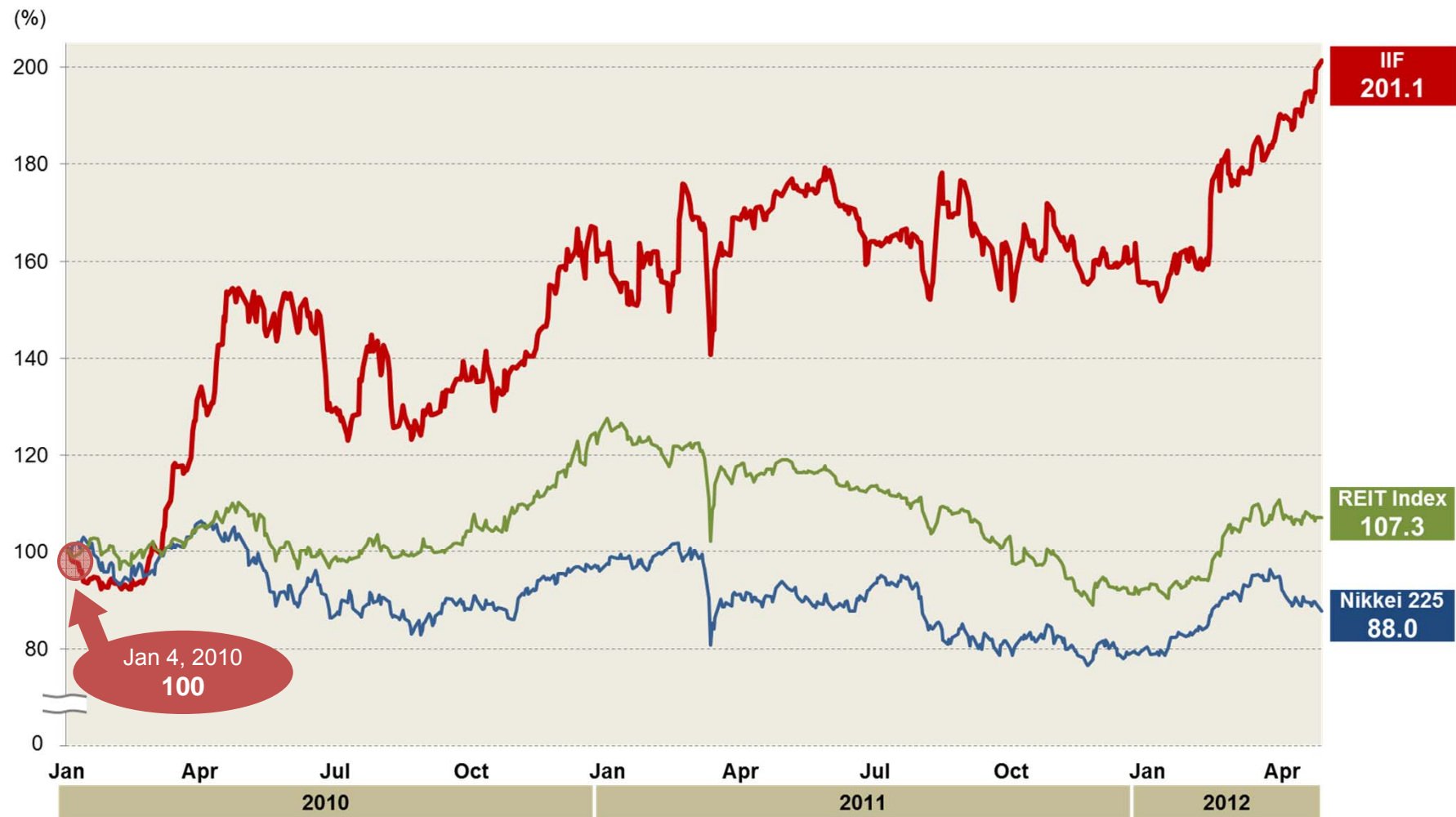
	2010	2011		2012	
	Jul - Dec 7th Period	Jan - Jun 8th Period	Jul - Dec 9th Period	Jan - Jun 10th Period (Forecast)	Jul - Dec 11th Period (Forecast)
Gross Revenue	2,962 (100.0)	3,295 (111.3)	3,526 (119.0)	4,402 (148.6)	4,903 (165.5)
Net Income	798 (100.0)	1,022 (128.1)	1,158 (145.2)	1,779 (222.9)	1,935 (242.4)
Units outstanding (unit)	79,035 (100.0)	93,632 (118.5)	93,632 (118.5)	140,632 (177.9)	140,632 (177.9)
Distributions per unit (yen)	10,102 (100.0)	10,919 (108.1)	12,377 (122.5)	12,654 (125.3)	13,760 (136.2)
LTV	49.5%	47.8%	49.7%	48.3%	48.2%

Dividend per Unit (Actual and Forecast)



Recent Unit Price

Recent Unit Price (January 4, 2010 to May 2, 2012)



(Note 1) Closing price base

(Note 2) Left axis describes relative unit price trends which the closing price of TSE on January 4, 2010 is set as 100%

(Source) Based on Bloomberg data

Executive Summary (2)

Back-to-back POs Resulted in 3.5x Market Cap

Market Capitalization (From January 4, 2010 to May 2, 2012)



Average Trading
Volume per Day

67
million yen



85
million yen



226
million yen

2. Highlights of the PO in March 2012

Highlights of the PO in March 2012 (1)

Recent PO Improved Financial Stability and Boosted Dividend Simultaneously

Asset

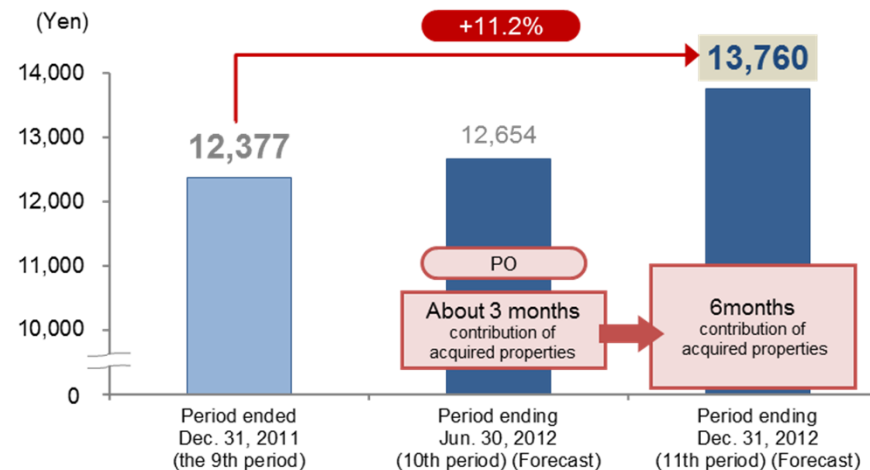
	Pre-PO	PO	Post-PO
• Number of Properties	16 +	6	22
• Total Acquisition Price (million yen)	108,240 +	37,274	145,514
• Average NOI Yield (before depreciation)	5.3% +	7.1%	5.8%
• Average NOI Yield (after depreciation)	4.2% +	6.2%	4.7%
• Unrealized Gain (million yen)	48 +	4,486	4,534

Debt

	Pre-PO	Post-PO
• LTV	49.7%	48.3%
• Long-term Borrowings Ratio	100.0%	100.0%
• Fixed Debt Ratio	46.9%	58.9%
(Reference) Long-term Senior Debts Rating	AA- (JCR)	

Equity

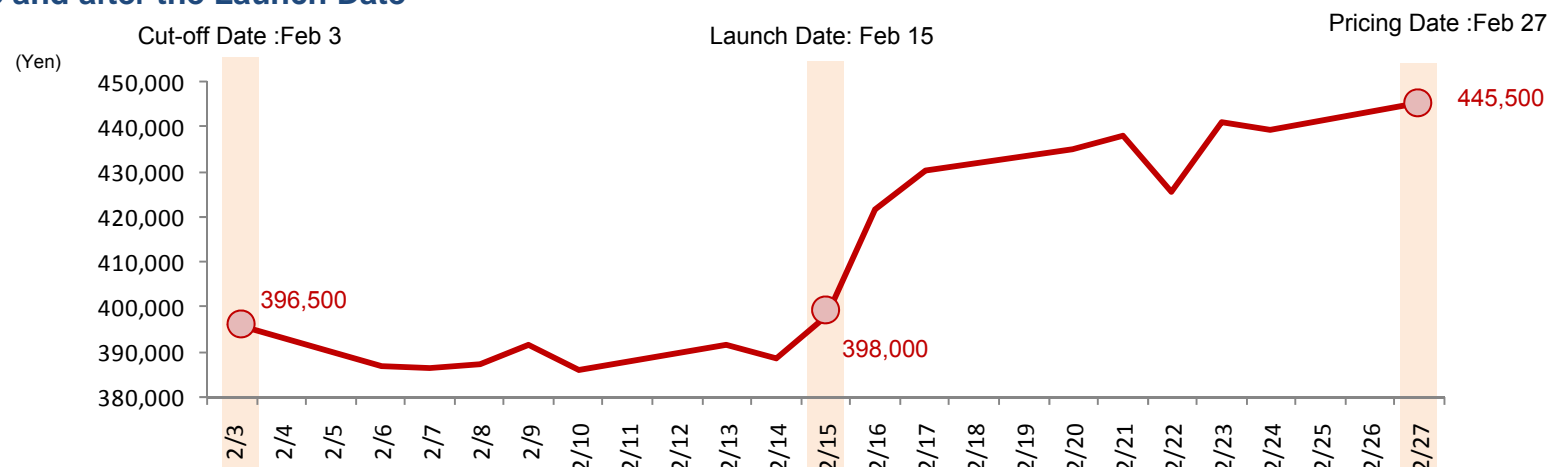
- DPU (Yen)



Highlights of the PO in March 2012 (2)

Obtaining “More than Expected” Proceeds due to Steadily Rising Unit Price

Unit Price before and after the Launch Date



Cut-off Date
(for prospectus purpose)

(Feb 3)

396,500 yen

Unit Price

12% Increase

Pricing Date

(Feb 27)

445,500 yen

	Number of units	Total amount to be paid in (Note 1) (million yen)
(1) Domestic Tranche	22,381	8,323
(2) International Tranche	22,381	8,323
(3) Third-party Allotment	2,238	832
(4) Total (= (1) + (2) + (3))	47,000	17,479

Total Proceeds

2.1 billion yen
Increase

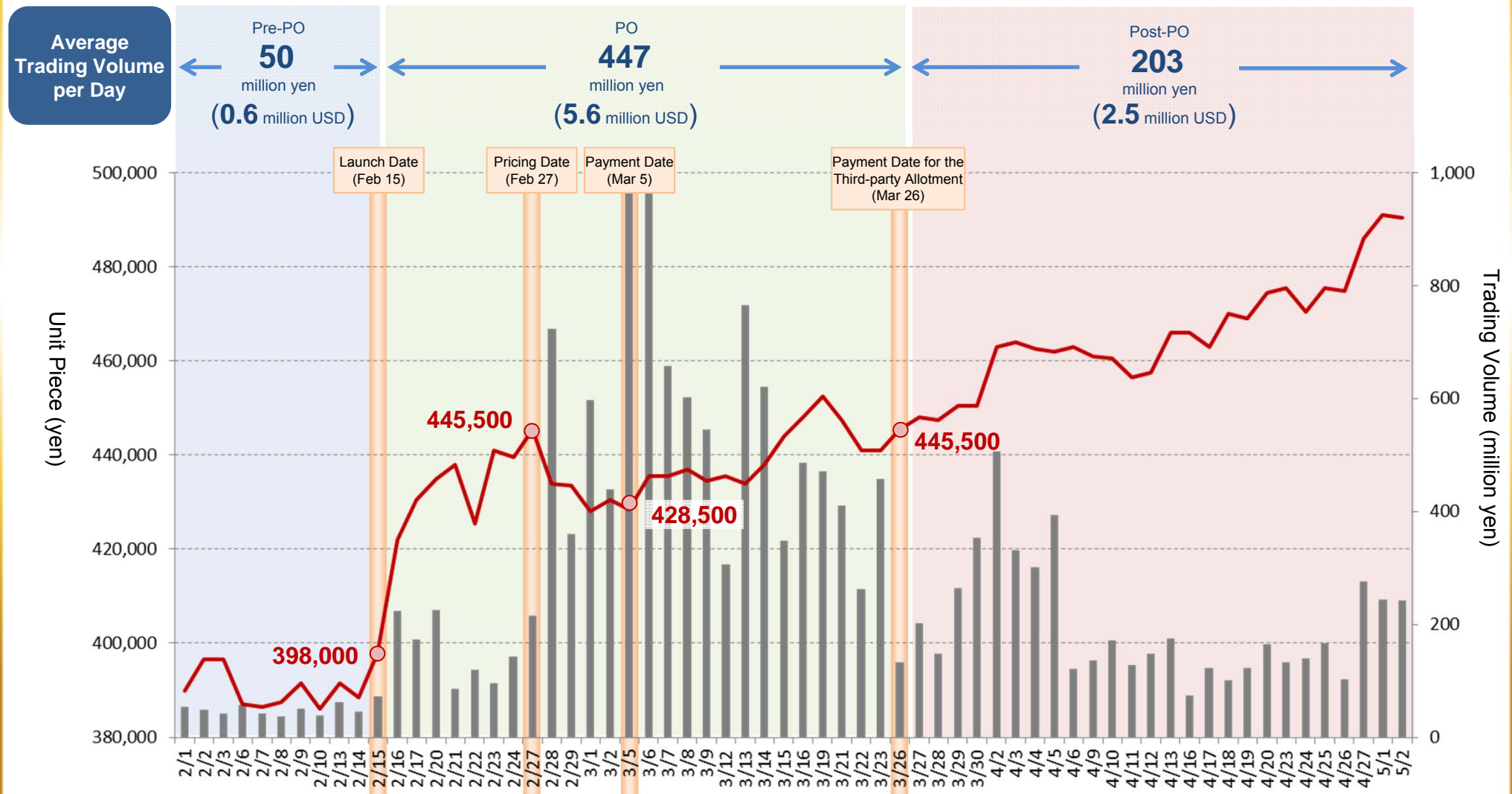
	Number of units	Total amount to be paid in (million yen)
(1) Domestic Tranche	22,381	9,352
(2) International Tranche	22,381	9,352
(3) Third-party Allotment	2,238	935
(4) Total (= (1) + (2) + (3))	47,000	19,640

(Note 1) Total amount to be paid in is calculated by multiplying the issue value by the number of units issued. Issue value is calculated by deducting the discount rate from the base unit price

Highlights of the PO in March 2012 (3)

Liquidity has been Significantly Improved after the PO

Unit Price and Trading Volume before and after the PO



(Source) Bloomberg
(Note) Period: Pre-PO(2012/2/1-2/15). PO(2012/2/16-3/26), Post-PO(2012/3/27-4/18)

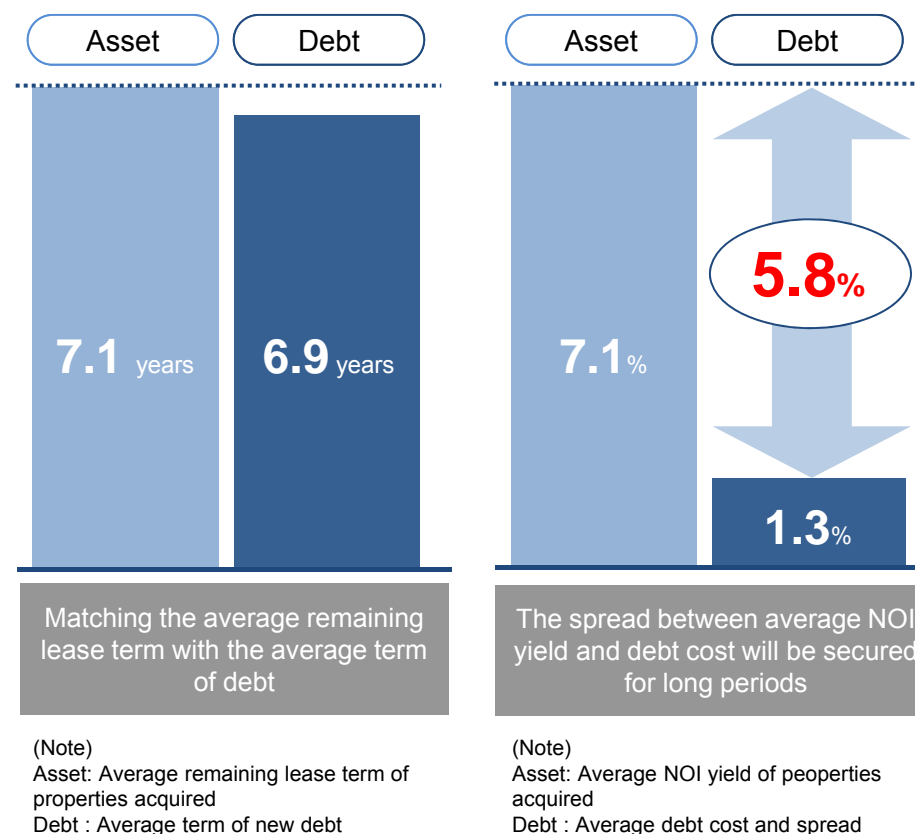
Highlights of the PO in March 2012 (4)

Generating Only Long-term and Fixed Rate Borrowings in Connection with PO

New Borrowings made along with PO

Term	Interest Rate (%)	type	Amount (million yen)	Lender
The longest among J-REITs 12 years	2.22000	Fixed	1,000	Development Bank of Japan
10 years	1.90500		1,000	Bank of Tokyo-Mitsubishi UFJ
	1.90000		500	Sumitomo Mitsui Banking Corporation
8 years	1.56100		2,000	Development Bank of Japan
	1.56100		1,500	New Lender The Mizuho Corporate Bank
7 years	1.32375		1,500	Bank of Tokyo-Mitsubishi UFJ Mitsubishi UFJ Trust and Banking The Sumitomo Trust and Banking
	1.32375		1,500	Sumitomo Mitsui Banking Corporation
5 years	0.94500		7,500	Bank of Tokyo-Mitsubishi UFJ Mitsubishi UFJ Trust and Banking The Sumitomo Trust and Banking
	0.94500		1,500	Sumitomo Mitsui Banking Corporation
Average 6.9 years	Average 1.31640		Total 18,000	

Asset Liability Management

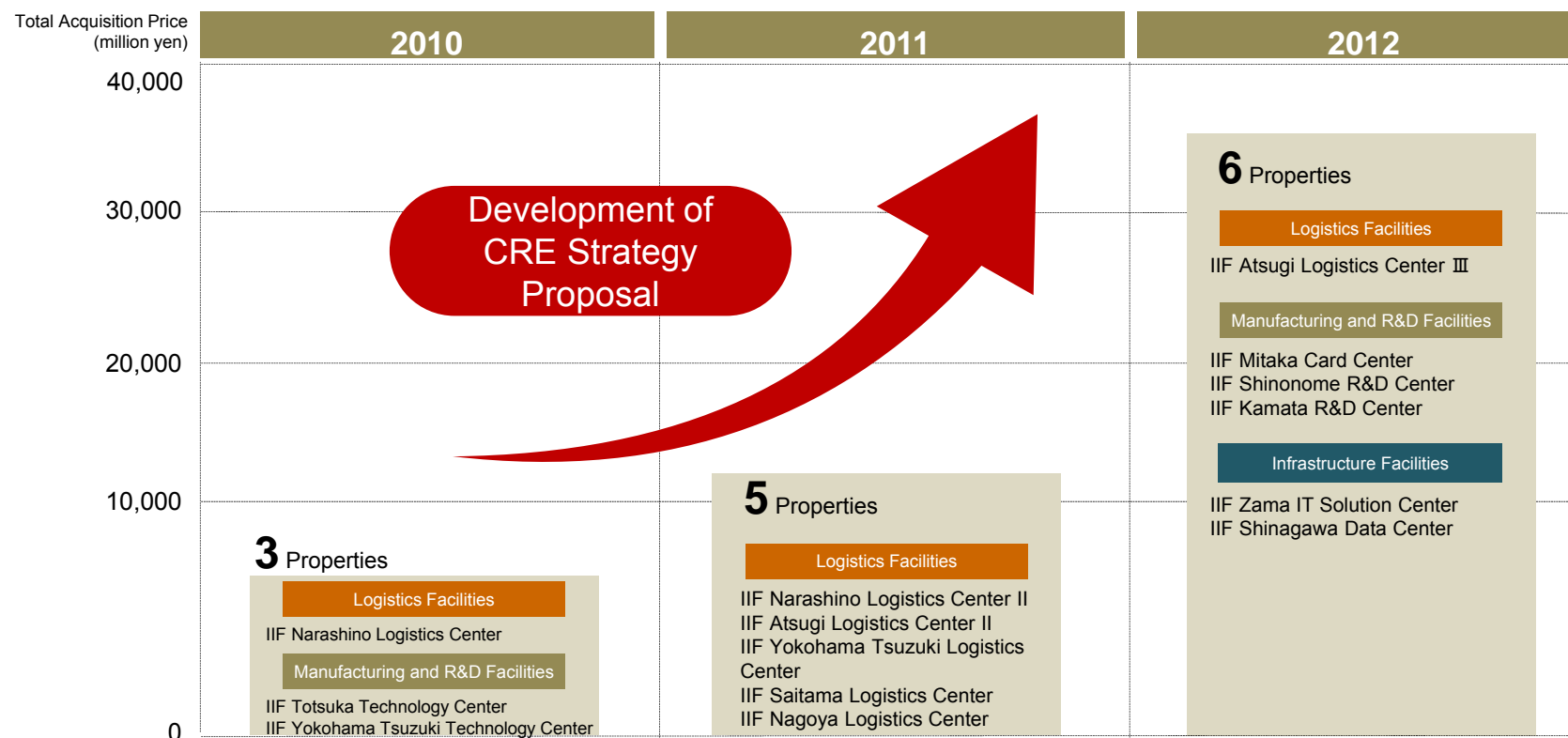


3. Our Future Growth Strategy

Strong Track Record of Successful Acquisitions — Our Corporate Real Estate(CRE) Strategy Proposal Capability

Building a Reputation as a Solution Provider for CRE Strategy and Accumulating Strong Acquisition Track Record

CRE Strategy is Increasingly Prevalent for all of our Target Asset Categories



Total Acquisition Price	6,790 million yen	11,340 million yen	37,274 million yen
Averaged NOI Yield (Note 1)	6.3%	6.9%	7.1%
Spread	+0.2%	+1.2%	+1.8%
Implied Cap Rate (Note 2)	6.1% (on average during 2009)	5.7% (on average during 2010)	5.3% (on average during 2011)
Sellers	Taisei Corporation	Sapporo Breweries Odakyu Electric Railway Taiheiyo Cement Corporation	IBM Japan, Furukawa Electric

(Note 1) Average NOI yield is the weighted average yield of acquired properties in each year

(Note 2) Implied cap rate is calculated in accordance with our calculation method

Our CRE Strategy Proposal

Penetrating our Advanced CRE Strategy Proposals – Acquiring Assets from Blue-chip Companies

All acquisitions for the past three years are made through one-on-one negotiations

Examples of Recent Acquisitions made possible through our CRE Strategy proposals

Sale and Lease Back

IIF Totsuka Technology Center (land with leasehold)



The only R&D center of Taisei Corporation in Yokohama

<Seller> Taisei Corporation
<Seller's Needs> P/L Control needs (Realized profit)

IIF's proposal

Sale and lease back of the seller's R&D center
(Lease term : 30-years)

IIF Zama IT Solution Center



Backbone facility for IBM Japan's core business

<Seller> IBM Japan Ltd. (Note 1)
<Seller's Needs> Streamline their balance sheet

IIF's proposal

Sale and lease back of the seller's IT solution center
(Lease term: 10 years)

P/L Control

IIF Shinagawa Data Center



High spec urban data center with internet access points

<Seller> Furukawa Electric Co., Ltd.
<Seller's Needs> P/L control needs (Realized profit)

IIF's proposal

Realization of profit by selling seller's asset

IIF Narashino Logistics Center II (land with leasehold)



Urban distribution center for Sapporo Breweries located near the highway IC

<Seller> Sapporo Breweries Ltd.
<Seller's Needs> P/L control needs (Realized loss)

IIF's proposal

Realization of loss by selling a depreciated property

Non-Core Assets

IIF Atsugi Logistics Center II



- Developed Logistic Center for Odakyu group
- After the group company withdrew, the property rent for third party
- Excellent location near the highway IC

<Seller> Odakyu Electric Railway Co., Ltd.
<Seller's Needs> Capital needs for core business

IIF's proposal

Seller to load off seller's non-core asset from their balance sheet

IIF Nagoya Logistics Center



Urban distribution center for DHL located at the center of Nagoya

<Seller> Taiheiyo Cement Corporation
<Seller's Needs> Capital needs for core business

IIF's proposal

Seller to load off seller's non-core asset from their balance sheet

Bridge Functions to Grasp Opportunity for an Adequate Acquisition Timing

Flexibly Responding to Seller's Needs using Bridge Functions

Resolving Difference between Seller's Preferable Timing for Property Sale and IIF's Acquisition with Bridge Functions, in Cooperation with Various Partners

◎: Bridge partners' acquisition ★: IIF's acquisition

Acquisition through
the PO in 2011

	Bridge Partner	2010						2011			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
IIF Narashino Logistics Center II (land with leasehold)	Mitsubishi Corporation						◎				★

Fiscal year end of the seller (Sapporo Breweries)

Acquisition through
the PO in 2012

	Bridge Partners	2011						2012			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
IIF Kamata R&D Center	SPC (Partially owned by Mitsubishi Corporation)					◎				★	
IIF Mitaka Card Center	Hulic							◎			★
IIF Zama IT Solution Center	Hulic	◎								★	

Refinancing timing for the seller (private fund)

Refinancing timing for the seller (private fund)

Mid-term fiscal year end of the seller (IBM Japan)

Acquisition Activity and Our Current Pipeline

Advanced CRE Strategy Proposal to Further Expand Our Pipeline

Reasons why we stay ahead of the game

- ✓ Trusted name of solution provider for corporations' CRE strategy
- ✓ Extensive networks and rich information sources
- ✓ Bridge structure to deliver flexibility in financing acquisitions

Adjusting to the changes in the environment

- ✓ More diversification in CRE strategy
 - Sale & lease-back of assets based on off-balance sheet needs
 - Sale of non-core assets based on needs for cash
 - Sale of low book value assets based on needs for P/L control

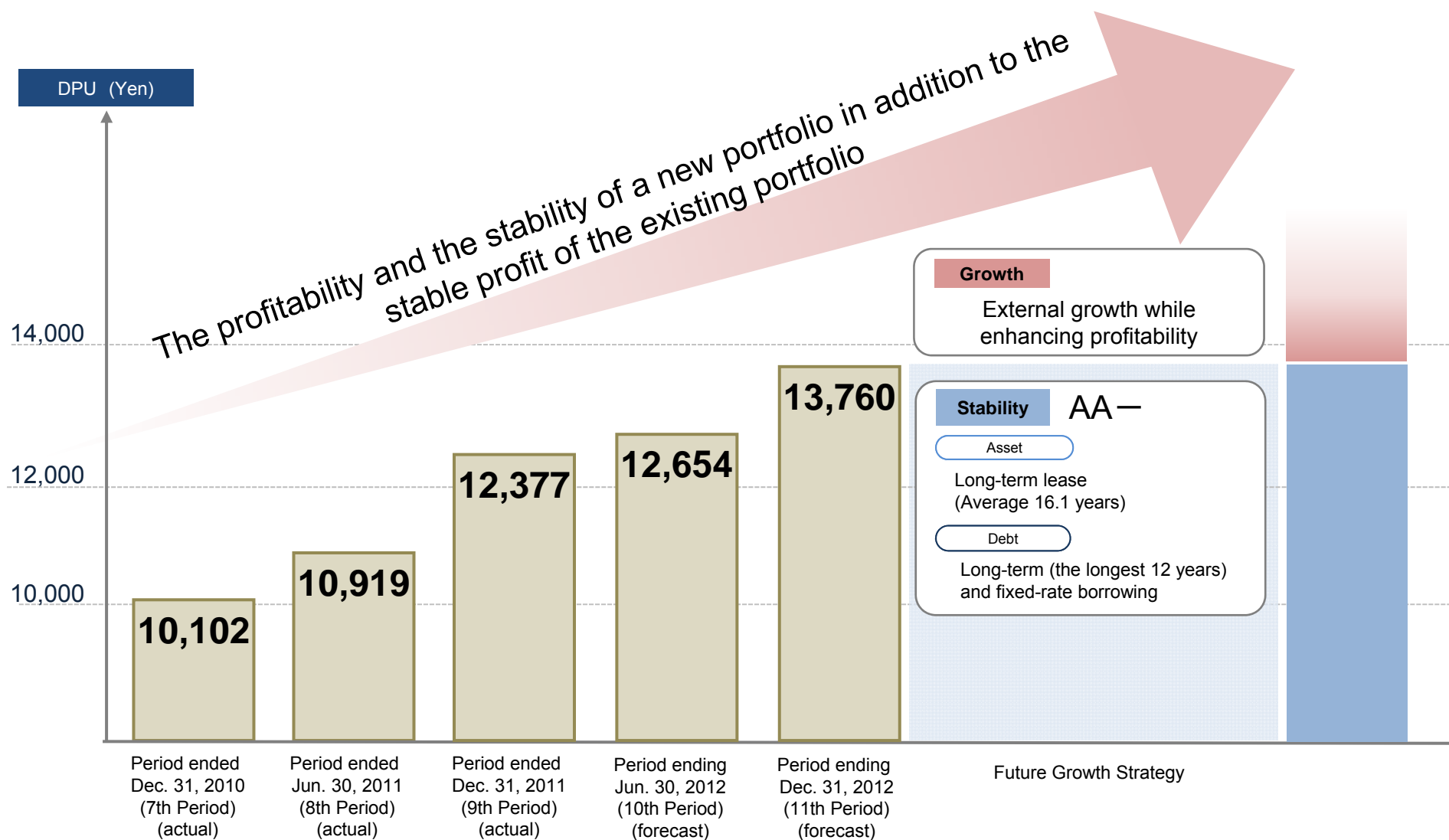
Accumulating Pipelines of High Quality Assets

- ✓ Pipelines of 51 properties with 250 billion yen in total (as of March 16, 2012)

Continue to focus on acquisitions
through CRE strategy proposals

Future Growth Strategy

Together with “Growth” and “Stability”, IIF Aims to Achieve Sustainable Growth in DPU and Unitholders’ Value

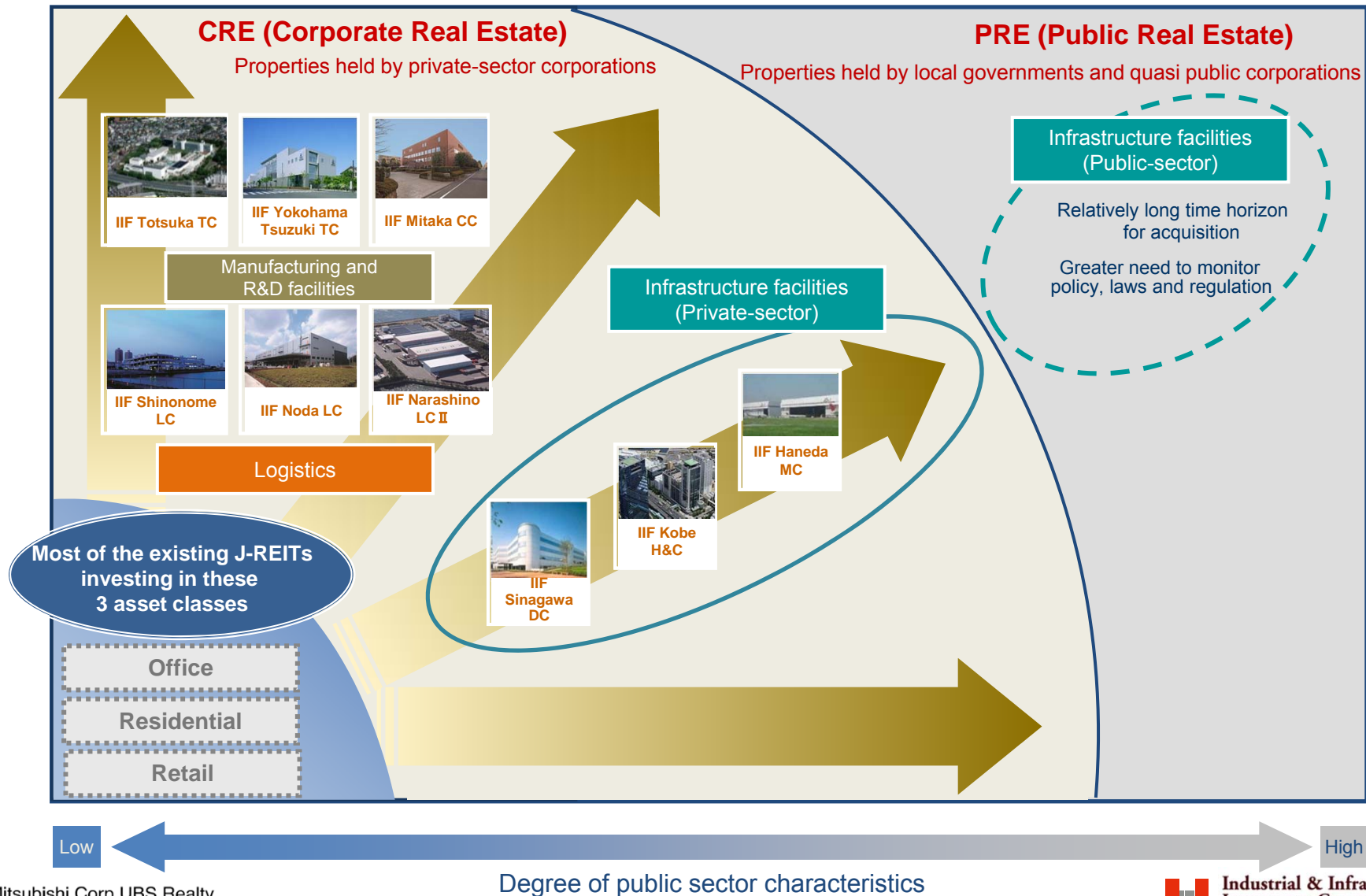


4. Overview of IIF

Investment Strategy

Investing in Less Competitive Property Sectors – Seeking to Cultivate Untapped Market

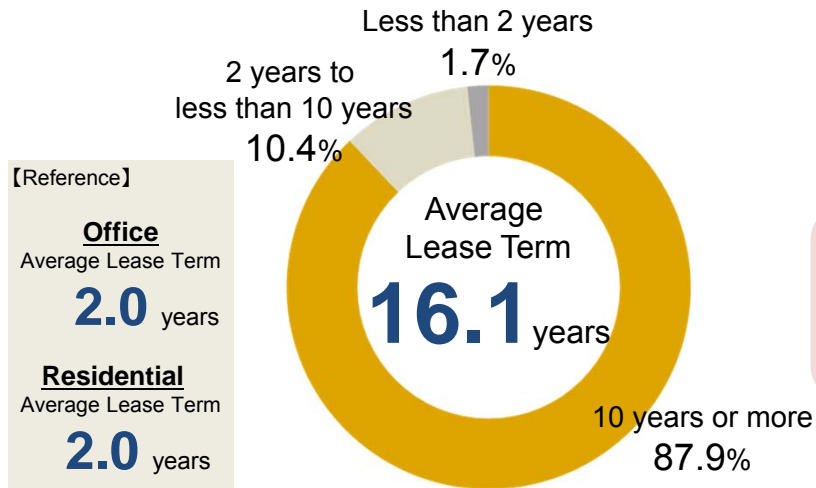
■ We Focus on Industrial and Infrastructure Properties which Have Not Been Primary Target for the Existing J-REIT



Asset Stability (1) – Optimal Lease Contracts Provide Rental Revenue Stability

Stable Cash Flow from Long-term Lease Contracts with Well-Balanced Rent Revision

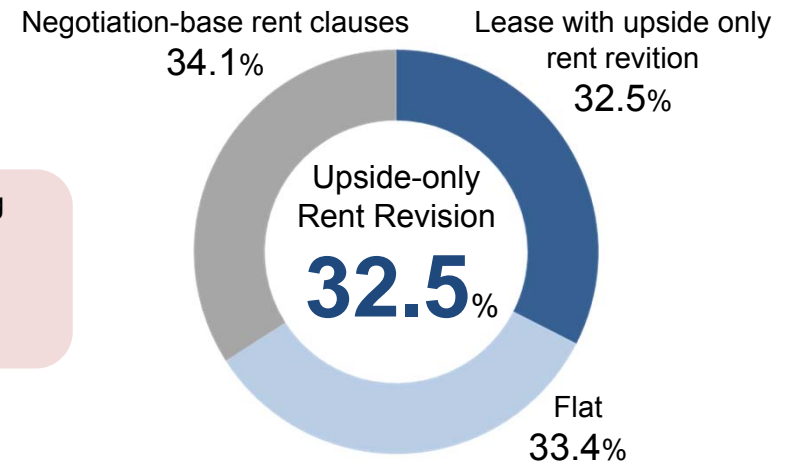
Lease-term



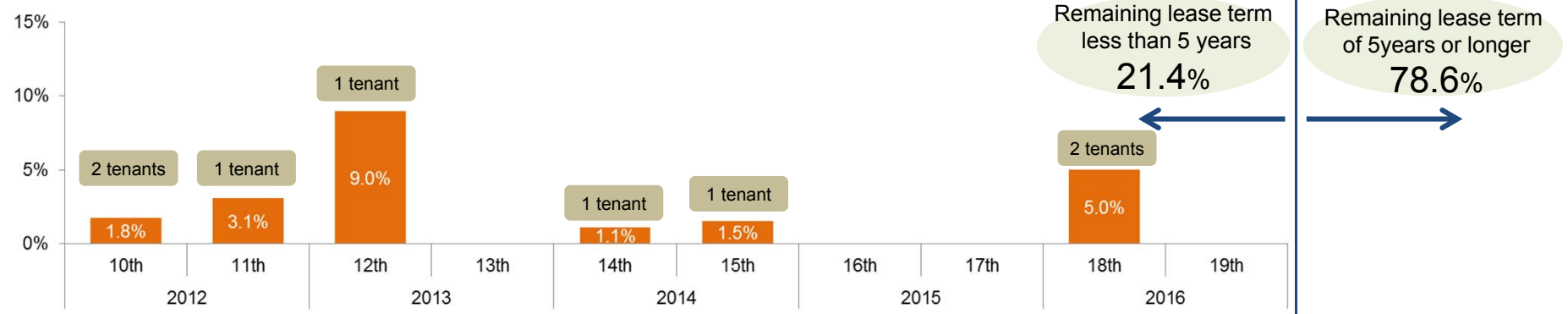
(Source) General Lease Term
Office : Sanko Estate,
Residential : Real Estate Transaction Improvement Organization

Average Remaining Lease Term: 11.0 years

Rent revision type



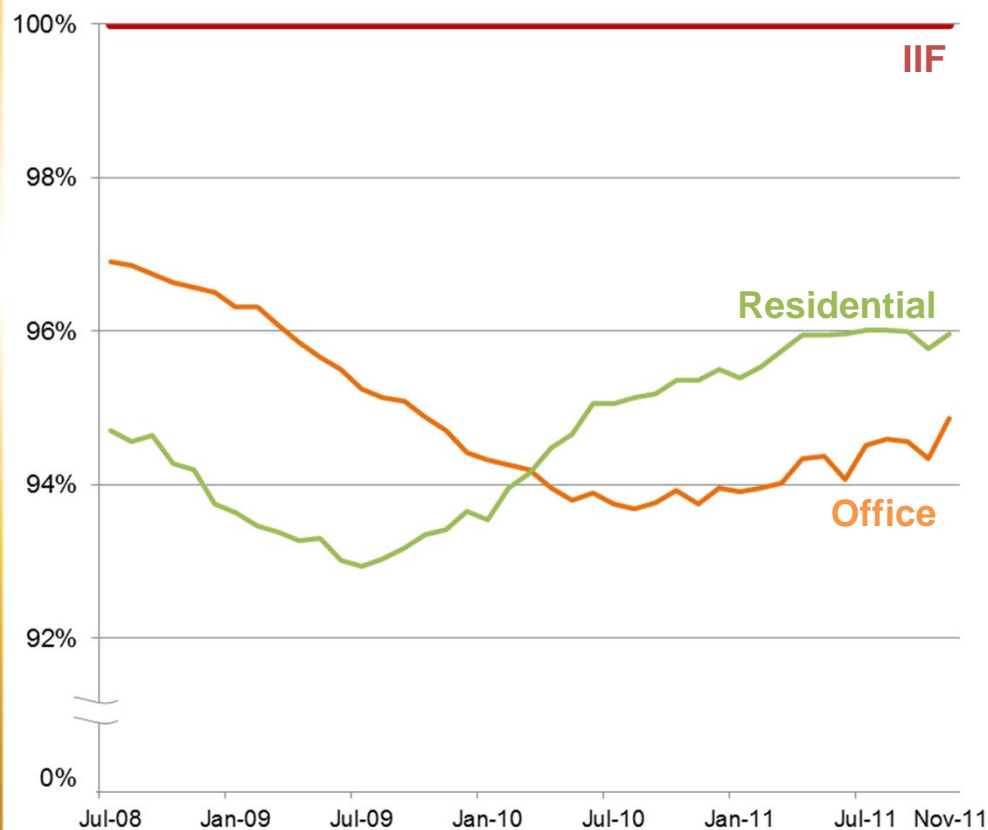
Distributions of Lease Term Expirations Based on Annual Rent



Asset Stability (2) – Stable High Occupancy Rate and Stable Rent Income

Greater Stability in Terms of Occupancy and Rent Income as Compared to Other Asset Classes

Stable High Occupancy Rate

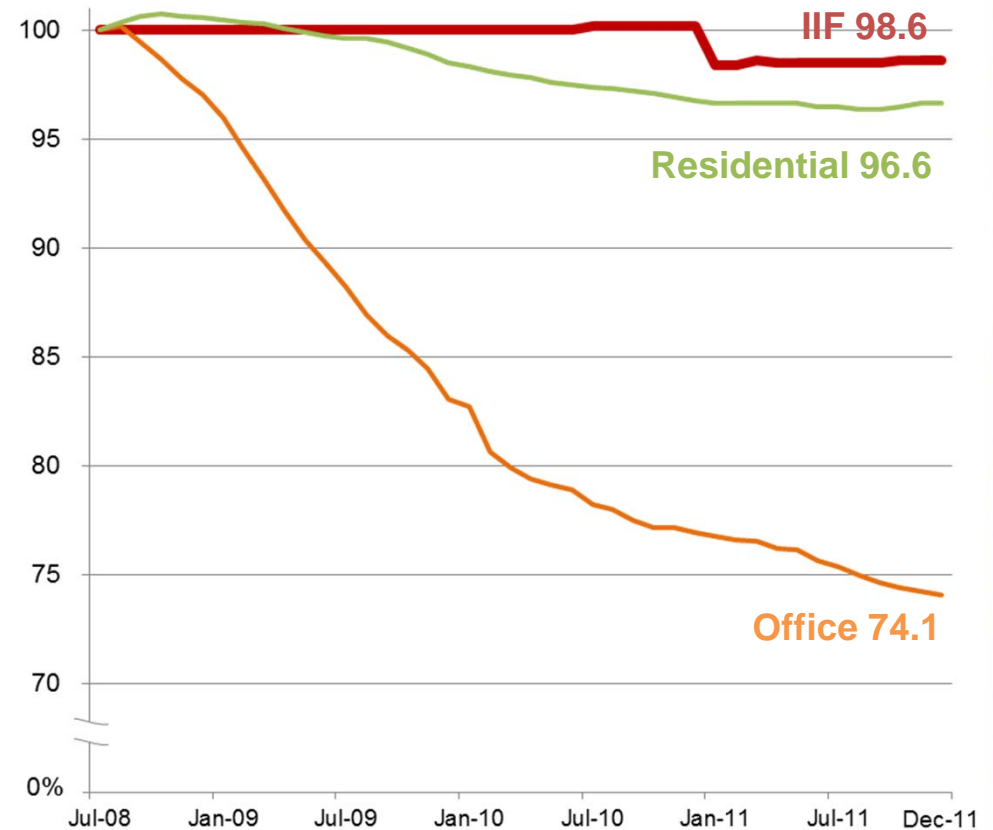


(Source) Occupancy Ratio "ARES J-REIT Property Database" The Association for REAL ESTATE Securities (except IIF)

(Note1) Occupancy rates for the whole J-REITs, office buildings and residential facilities are based on the chronological data of occupancy rates (all the assets incorporated) published by ARES

(Note2) As for office buildings and residential facilities an average occupancy rate among properties held by J-REITs for each asset class

Stable Rent Income



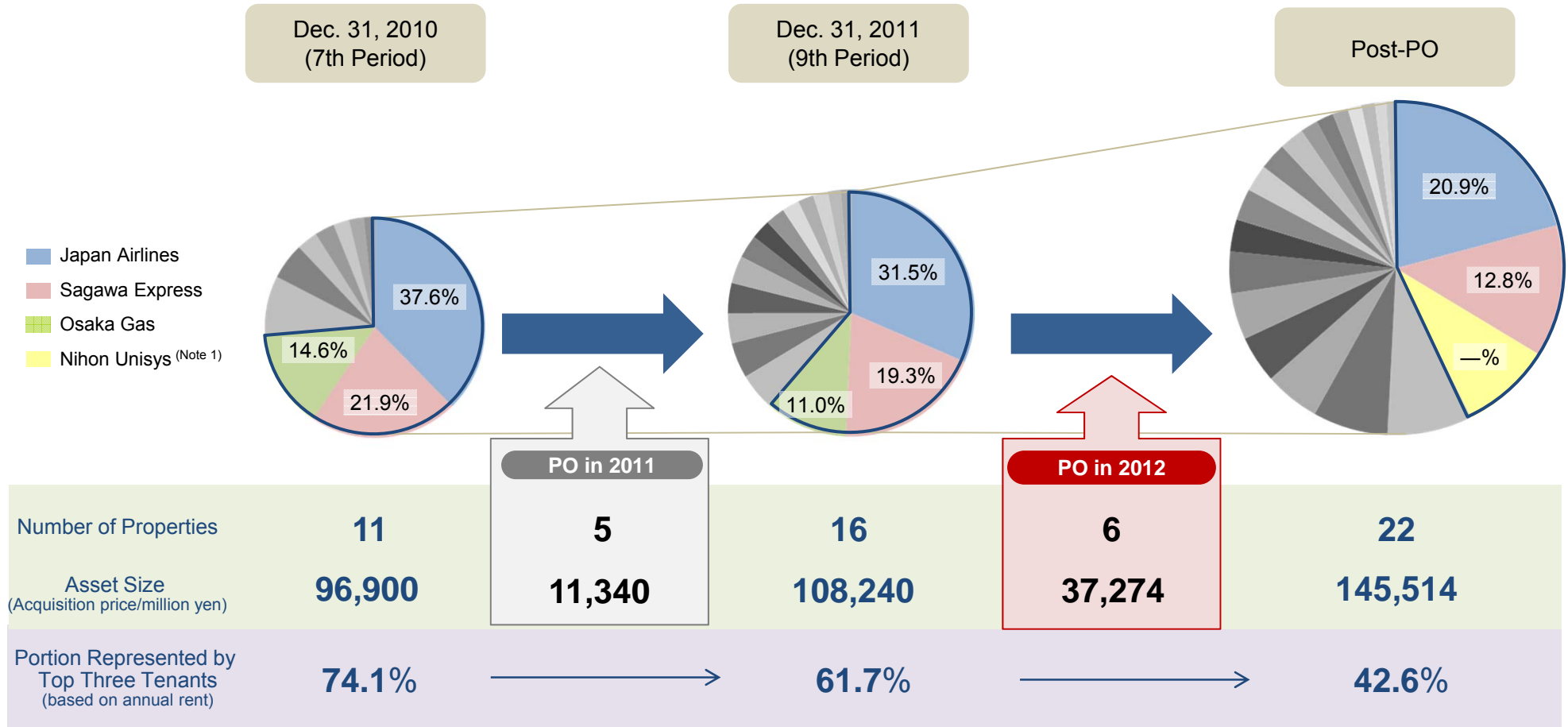
(Source) Recruit Co., Ltd., "Recruit Residential Price Index",

Miki Shoji Co., Ltd., "Tokyo (5 Central Wards) Office Building Market Research Report"

(Note1) Rents in July 2008 are indexed at 100%. Weighted average of indexed rent of each property as of the end of each month (rent as of acquisition=100)

Asset Stability (3) – Tenant Diversification

Tenant Diversification



(Note 1) We have not obtained necessary permission from the lessee to disclose this information

Debt Stability (1) — Health and Sound Financial Condition

Track Record of Stable LTV Control and Long-Term and Fixed Debt Policy

	Period ended Jun. 30, 2009 (4th Period)	Period ended Dec. 31, 2009 (5th Period)	Period ended Jun. 30, 2010 (6th Period)	Period ended Dec. 31, 2010 (7th Period)	Period ended Jun. 30 2011 (8th Period)	Period ended Dec. 31, 2011 (9th Period)	After the Completion of the PO
(1) LTV (excluding subordinated loan)	49.4%	49.6%	49.2%	49.5%	47.8%	49.7%	48.3%
(2) LTV (including subordinated loan)	57.1%	57.3%	56.9%	57.2%	54.8%	54.9%	52.1%
(3) Long-term debt ratio	38.7%	59.7%	76.5%	79.8%	98.2%	100.0%	100.0%
(4) Fixed debt ratio	0.0%	3.4%	3.4%	3.4%	25.0%	46.9%	58.9%
(5) Average remaining term	1.3 years	1.5 years	1.7 years	2.1 years	3.1 years	3.8 years	4.3 years
(6) Average interest rate	1.33%	1.35%	1.37%	1.37%	1.54%	1.32%	1.32%

(1) From the end of the 4th Period to the end of the 8th Period: Total interest-bearing debt (excluding subordinated investment corporation bond)/total assets. From the end of the 9th period to after the completion of the FO: Total interest-bearing debt (excluding subordinated loan)/total assets

(2) From the end of the 4th Period to the end of the 8th Period: Total interest-bearing debt (including subordinated investment corporation bond)/total assets. From the end of the 9th period to after the completion of the FO: Total interest-bearing debt (including subordinated loan)/total assets

(3) From the end of the 4th Period to the end of the 8th Period: (Long-term borrowing + Subordinated investment corporation bond)/total interest-bearing debt. From the end of the 9th period to after the completion of the FO: Long-term borrowing/total interest-bearing debt (including subordinated loan)

(4) From the end of the 4th Period to the end of the 8th Period: Total fixed-rate borrowing/total interest-bearing debt (including subordinated investment corporation bond).

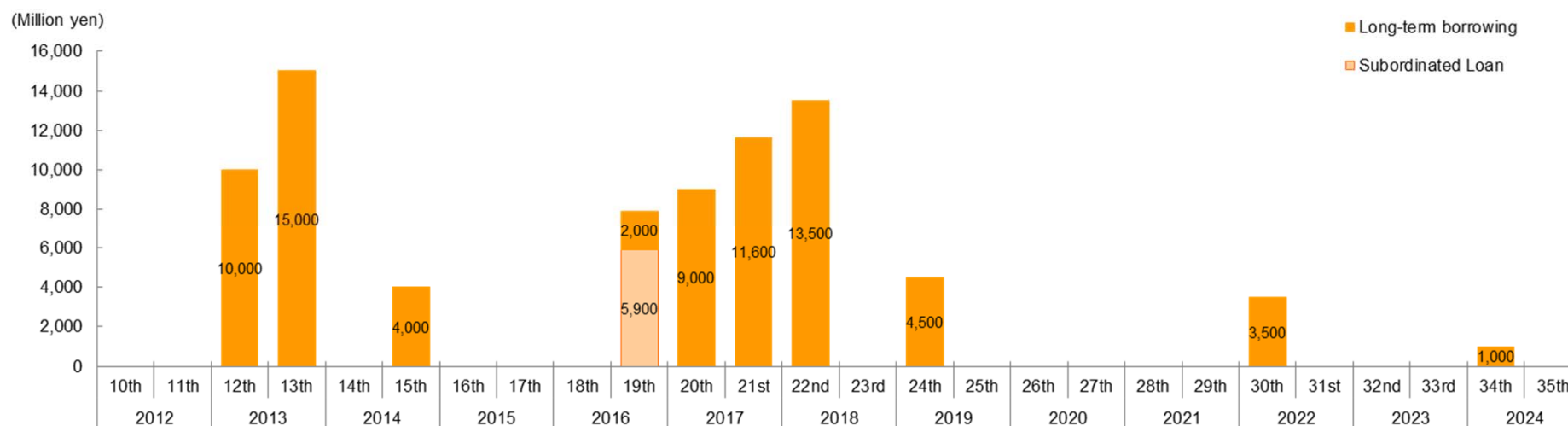
From the end of the 9th period to after the completion of the Anticipated Acquisitions: Total fixed-rate borrowing/total interest-bearing debt (including subordinated loan)

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

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

(6) Average interest rate is based on the interest rate at the end of each period

Debt Maturity

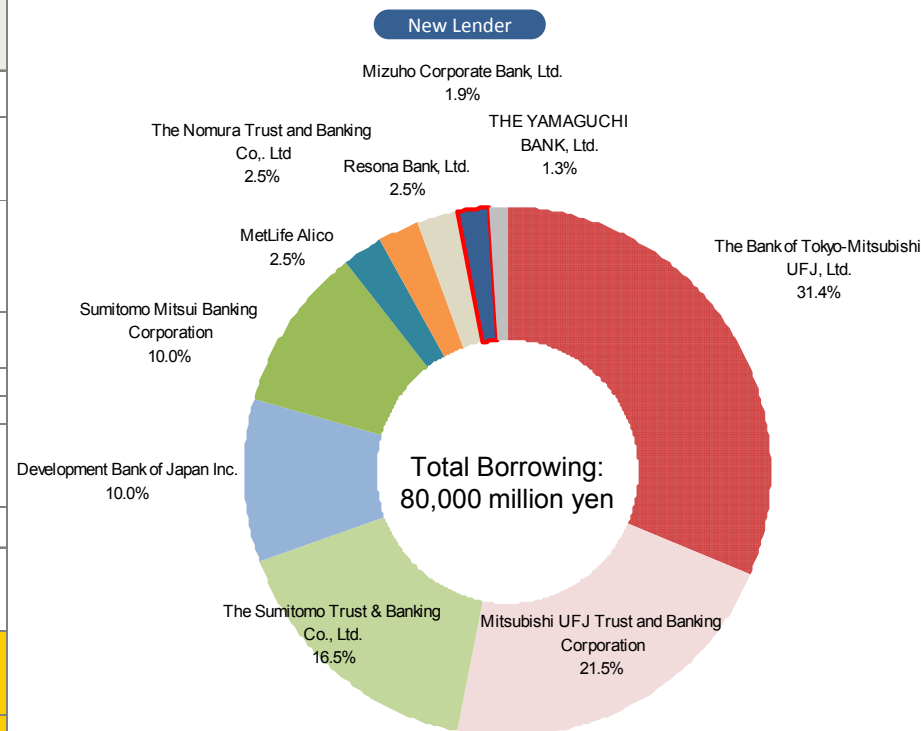


Debt Stability (2) — Well Diversified Lender Formation

Lender Status

	Classification		Outstanding Balance (Note 1) (million yen)		Date of Borrowing	Interest Rate (Note 2,3) (%)	Fixed/ Variable	Borrowing term	Remaining period (Note 4)
	Lender		Breakdown	Total					
Long-term borrowing	American Life Insurance Company		2,000	2,000	Dec. 25, 2009	1.70000	Fixed	5 years	2.8 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,765	10,000	Feb. 26, 2010	1.13643	Variable	3 years	0.9 years
	Mitsubishi UFJ Trust and Banking Corporation		3,471						
	The Sumitomo Trust & Banking Co., Ltd.		2,764						
	The Sumitomo Trust & Banking Co., Ltd.		2,500	7,500	Sep. 30, 2010	0.93643	Variable	3 years	1.5 years
	Nomura Trust and Banking Co., Ltd.		2,000						
	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	0.93643	Variable	3 years	1.6 years
	Mitsubishi UFJ Trust and Banking Corporation		3,600						
	Sumitomo Mitsui Banking Corporation		2,000	2,000	Dec. 30, 2010	1.03643	Variable	4 years	2.8 years
	Development Bank of Japan Inc.		5,000	5,000	Feb. 28, 2011	1.70000	Fixed	7 years	5.9 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,200	8,500	Mar. 11, 2011	1.76500	Fixed (Note 5)	7 years	6.0 years
	Mitsubishi UFJ Trust and Banking Corporation		2,950						
	The Sumitomo Trust & Banking Co., Ltd.		2,350						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,000	2,000	Aug. 31, 2011	1.16750	Fixed (Note 5)	5 years	4.4 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,463	11,600	Sep. 30, 2011	1.30000	Fixed (Note 5)	6 years	5.5 years
	Mitsubishi UFJ Trust and Banking Corporation		4,057						
	The Sumitomo Trust & Banking Co., Ltd.		3,080						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,823	7,500	Mar. 6, 2012	0.94500	Fixed (Note 5)	5 years	5.0 years
	Mitsubishi UFJ Trust and Banking Corporation		2,603						
	The Sumitomo Trust & Banking Co., Ltd.		2,074						
	Sumitomo Mitsui Banking Corporation		1,500	1,500	Mar. 30, 2012	0.94500	Fixed (Note 5)	5 years	5.0 years
	Development Bank of Japan Inc.		1,000	1,000		2.22000	Fixed (Note 5)	12 years	12.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1,000		1.90500	Fixed (Note 5)	10 years	10.0 years
	Sumitomo Mitsui Banking Corporation		500	500		1.90500	Fixed (Note 5)	10 years	10.0 years
	Development Bank of Japan Inc.		2,000	2,000		1.90000	Fixed (Note 5)	10 years	10.0 years
	Mizuho Corporate Bank, Ltd.		1,500	1,500		1.58100	Fixed (Note 5)	8 years	7.0 years
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		565	1,500		1.32375	Fixed (Note 5)	7 years	7.0 years
	Mitsubishi UFJ Trust and Banking Corporation		520						
	The Sumitomo Trust & Banking Co., Ltd.		415						
	Sumitomo Mitsui Banking Corporation		1,500	1,500		1.32375	Fixed (Note 5)	7 years	7.0 years
Subordinated loan	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,440	5,900	Aug. 31, 2011	1.73643	Variable	5 years	4.4 years	
	Sumitomo Mitsui Banking Corporation	2,460							
Total / Average				80,000		1.32214		5.3 years	4.3 years

Breakdown of Lender Formation



- (Note 1) Outstanding balance as of March 23, 2012 including 90 million yen borrowed on March 23, 2012
- (Note 2) The applicable rate is based on the interest rate as of March 23, 2012. The average rate is calculated by weighting the rate for each borrowings according to the borrowing amount
- (Note 3) The application interest rates of the total/average do not contain the application interest rates of borrowing on March 30, 2012
- (Note 4) The remaining term for the existing borrowing is calculated with the base date as of March 23, 2012, while the scheduled borrowings is calculated based on the execution date of each borrowings. The average is calculated by weighting the remaining term of each borrowings according to the borrowing amount
- (Note 5) IIF signed an interest rate swap contract to fix the interest rate

Strategy for Achieving Sustainable Growth in Unitholders' Value

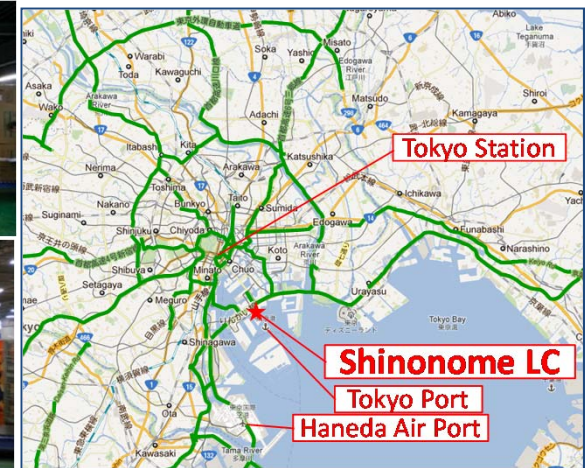
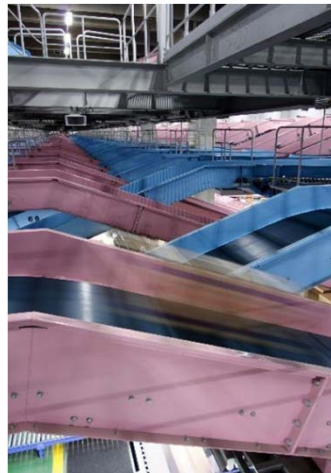
Asset	External Growth while Enhancing Profitability of Our Portfolio	As of Dec. 31, 2010 (7th Period)		PO in 2011		As of Dec. 31, 2011 (9th Period)		PO in 2012		Post-PO	
		Number of properties	11	+	5	⇒	16	+	6	⇒	22
		Total acquisition price (Million yen)	96,900	+	11,340	⇒	108,240	+	37,274	⇒	145,514
		Averaged NOI yield	5.0%	+	6.9%	⇒	5.3%	+	7.1%	⇒	5.8%
<ul style="list-style-type: none"> Asset acquisition with improvements in portfolio profitability 											

Debt	Improved Financial Stability AA-	As of dec. 31, 2010 (7th Period)		As of Dec. 31, 2011 (9th Period)		Post-PO	
		LTV	49.5%		49.7%		48.3%
		Long-term debt ratio	79.8%		100.0%		100.0%
		Fixed debt ratio	3.4%		46.9%		58.9%
		Average interest rate	1.37%		1.32%		1.32%
<ul style="list-style-type: none"> Stable LTV control Longer debt maturity Fixed debt policy Maintain debt cost 							

Equity	Improvement and Stabilization of DPU	7th Period (actual)		PO in 2011		9th Period (actual)		PO in 2012		11th Period (forecast)	
		DPU (Yen)	10,102		22.5% increase		12,377		11.2% increase		13,760
<ul style="list-style-type: none"> Boost DPU by acquiring properties with higher NOI yield 											

Long-Term Leasing Agreement on Important Facilities for Tenant (1)

Logistics Centers



L-1 IIF Shinonome Logistics Center

Long-term Usability

- One of the only five hub transport centers for the tenant, covering Tokyo 23 wards
- Handles more than 10% of the tenant's daily cargo volume (400,000 parcels), which is the largest among the tenant's facilities
- More than 500 employees operate 24 hours collecting, sorting, and delivering cargos

Versatility

- Located within central Tokyo, with high accessibility to various transportations, the facility has an extensive versatility for other tenant use

Tenant

Sagawa Express Co., Ltd.

Boasts a second largest market share (34.7%) player of the parcel delivery service industry in Japan.

Lease Term

20 years

From February 26, 2006 to February 20, 2026

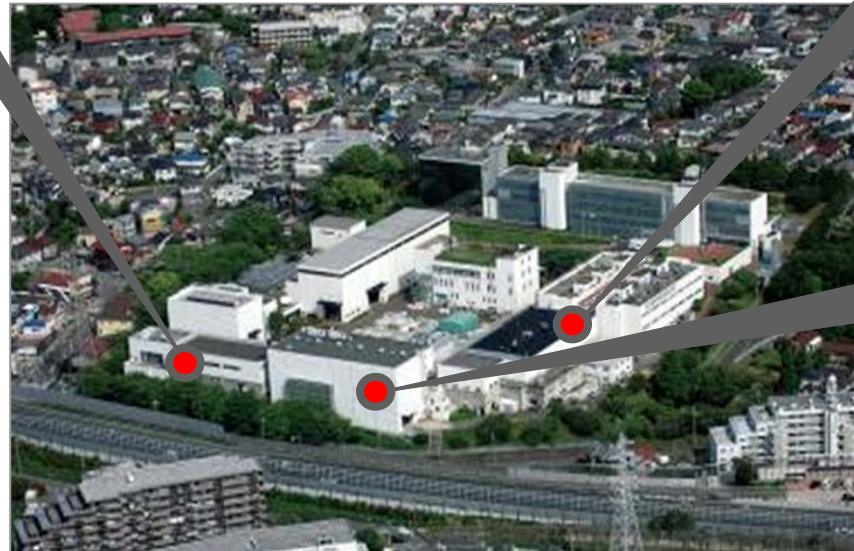
Long-Term Leasing Agreement on Important Facilities for Tenant (2)

Manufacturing and R&D

Building for Environmental Experiments



- Eiffle-type Boundary Layer Wind Tunnel Experiment Machine



Building for Hydraulic Engineering Experiments



- Oceanic coastal water pool, multi-directional wave construction machine

Building for Anti-Thermal Experiments



- 200MN Loaded Heating Furnace

(Source: Taisei Corporation)

(Note) IIF has acquired only the land and does not own the building facilities in the above photo

F-1 IIF Totsuka Technology Center (land with leasehold)

Long-term Usability

- The only R&D center supporting the research and development of Taisei Corporation
- Fostering future technology in 10 laboratories and research facilities with the industry-leading experimental equipment

Versatility

- Surrounded by high-end commuter town to Tokyo, the asset could potentially be replaced as a condominium development as well

Tenant

Taisei Corporation

The third largest construction company in Japan

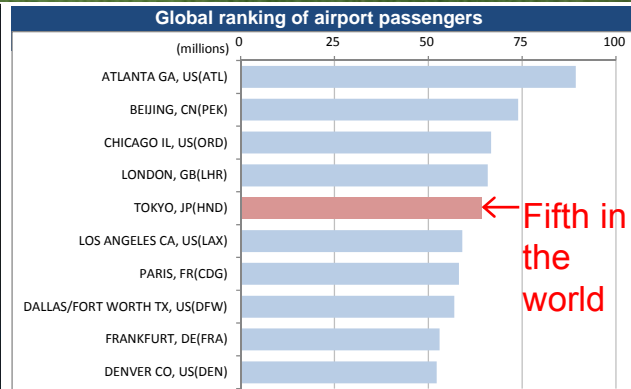
Lease Term

30.0 years

From March 31, 2010 to March 30, 2040

Long-Term Leasing Agreement on Important Facilities for Tenant (3)

Infrastructure



(SOURCE) ACI Passenger Traffic 2010 FINAL

- The following maintenance is conducted in M1 and M2 by the Civil Aeronautics Act

Type of Maintenance	Maintenance Interval	Maintenance Period	Main Inspection
A Maintenance	Every 500 flight hours	Approximately 8 hours	Inspection of exterior, engine, wings and landing gear during the time between arrival of the last flight and the first flight of the next morning
C Maintenance	Every 6,000 flight hours or 18 months (earlier of the two)	Approximately 7 days	Inspection and examination of functions and operation of various systems in detail by removing panels
M Maintenance	Every 16,000 flight hours	Approximately 25 days	Systematic and comprehensive inspection, replacement, refurbishment and painting



I-2 IIF Haneda Airport Maintenance Center

Long-term Usability

- The most important facility for JAL Group's aircraft maintenance
 - * Also function as headquarter of JAL's line maintenance segment
- JAL conducts aircraft maintenance in this facility required the Civil Aeronautics Act

Versatility

- Excellent location surrounded by four runways in the Haneda airport
- One of the top five heavily used airports in the world in terms of the number of passengers
- Maintenance of various type of aircraft

Tenant

Japan Airlines Co., Ltd.

Japan's national flag carrier with 6,160,000 passengers in 2011

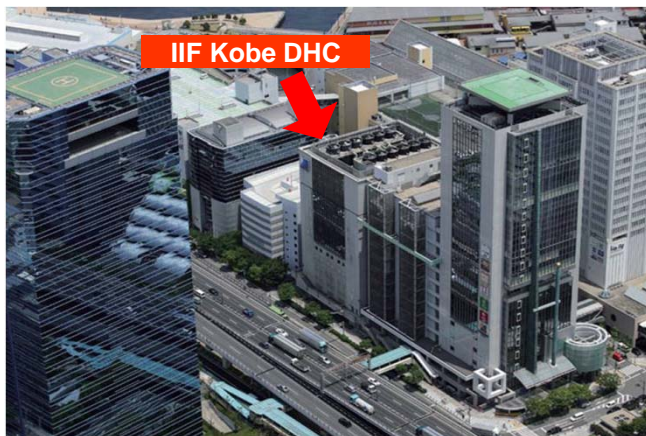
Lease Term

15.4 years

From August 10, 2010 to December 31, 2025

Long-Term Leasing Agreement on Important Facilities for Tenant (4)

Infrastructure

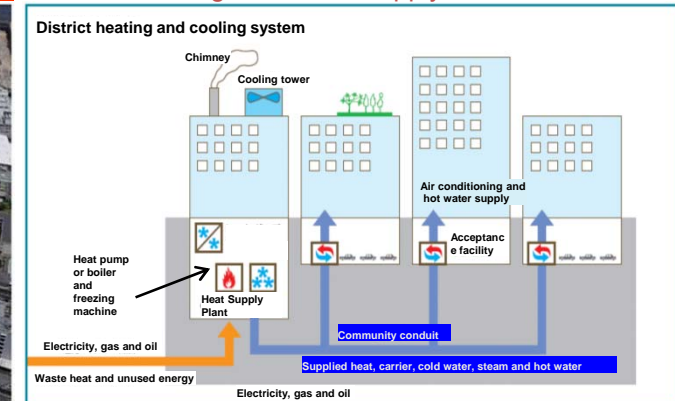


IIF Kobe DHC



Coverage area of the heat supply

Basic outline of general heat supply business



Source: Ministry of Land, Infrastructure and Transport



Steam boiler



Refrigerating machine



Pipeline for DHC



Pipeline for DHC

I-1 IIF Kobe District Heating and Cooling Center

Long-term Usability

- Heat supply facility covering Kobe Harborland Area 22.6ha (GFA: 582,500 m²)
- Authorized project* which is a statutory monopoly granted by the Heat Supply Business Act

* Permission from the Minister of METI is required to conduct/abolish the project

Versatility

- Natural gas cogeneration system which is widely-used in many heat supply areas*

* Used in 47 out of 141 heat supply areas in Japan

Tenant

Osaka Gas Co., Ltd.

Nation's second largest city gas supplier
Sales: 1,187 billion yen in 2011

Lease term

12.0 years

From June 7, 2012 to June 6, 2024

5. Our Approach to Current and Upcoming Issues

Optimal Leasing Strategy Generates Stable Cash Flow Based on Long-Term Lease Contracts

Leasing-related Risk Mitigation – Limited Potential Lease Expiration and Rent Revision

Potential Impacts of Lease Expiration and Rent Revision

Actual 9th July 2011 ~ December 2011			Forecast 10th January 2012 ~ June 2012			Forecast 11th July 2012 ~ December 2012																				
percentage of overall rental revenue																										
Lease Expiration			1.7% (1 tenant)			1.8% (2 tenants)			3.1% (1 tenant)																	
Property			Tenant			% of overall rental revenue			Property			Tenant			% of overall rental revenue											
IIF Atsugi LC			Mitsubishi Corporation LT			1.7%			IIF Kobe DHC (warehouse, etc.)			Osaka Gas			0.1%			IIF Atsugi LC II			Sun Toshi Tatemono			3.1%		
Leased to new tenant at the same rent without vacancy period									Planning to renew existing lease						Planning to renew existing lease											
									IIF Atsugi LC			TBD			1.7%											
									Planning to lease to new tenant																	
Rent Revision			4.4% (2 tenants)			0.0%			0.0%																	
Property			Tenant			% of overall rental revenue			Property			Tenant			% of overall rental revenue			Property			Tenant			% of overall rental revenue		
IIF Yokohama Tsuzuki TC			TÜV Rheinland Japan			1.3%																				
									No Rent Revision						No Rent Revision											
IIF Atsugi LC II			Sun Toshi Tatemono			3.1%																				

(Note) Above figures are measured by percentage of overall rental revenue

Leasing Status of IIF Atsugi Logistics Center (1) – Market Environment

Major Logistics Facilities Located in Atsugi Area

	Property	Operator	Total Floor Area(Tsubo)	Occupancy Rate	Major Tenant
①	Landport Atsugi	Nomura Real Estate Management Co., Ltd.	15,848	100%	Yamato Transport
②	Sagamihara Logistics Center	Nomura Real Estate Management Co., Ltd.	15,563	100%	Fukuyama Transporting
③	Atsugi Logistics Center	Nomura Real Estate Management Co., Ltd.	13,168	100%	Senko
④	Prologis Zama	Prologis	42,114	100%	Vantec
⑤	Prologis Ebina	Prologis	19,733	100%	Kirin Logistics
⑥	Zama Center	Mapletree Logistics Management Limited	12,454	100%	NEC Logistics
⑦	Atsugi Center	Mapletree Logistics Management Limited	5,221	100%	Senko
⑧	CRE Logi Square Sagamiara	Diamond Realty Management Inc.	7,067	100%	Yamamura Warehouse

Source: IIF research

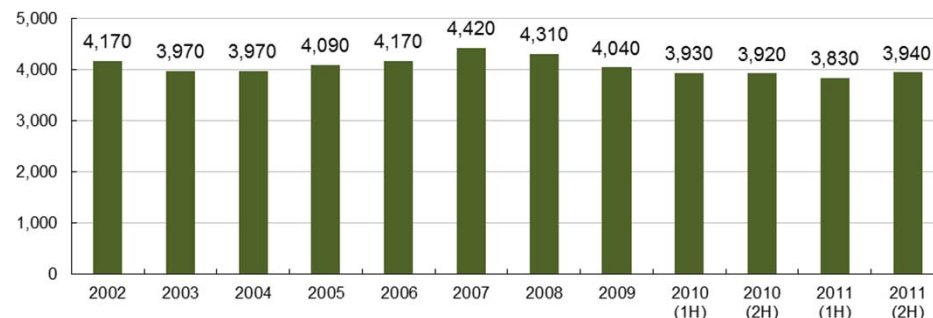
Projected New Supply of Large Multi-type Logi. Facilities in the Area

	Property	Operator	Total Floor Area(Tsubo)	Scheduled Completion
A	Prologis Park Zama II	Prologis	35,075	August 2012
B	D Project Sagamiara	Daiwa House Industry	31,592	June 2013
C	Logi Port Sagamiara	LaSalle Investment Management, Mitsubishi Estate	63,525	Autumn 2013

Source: IIF research

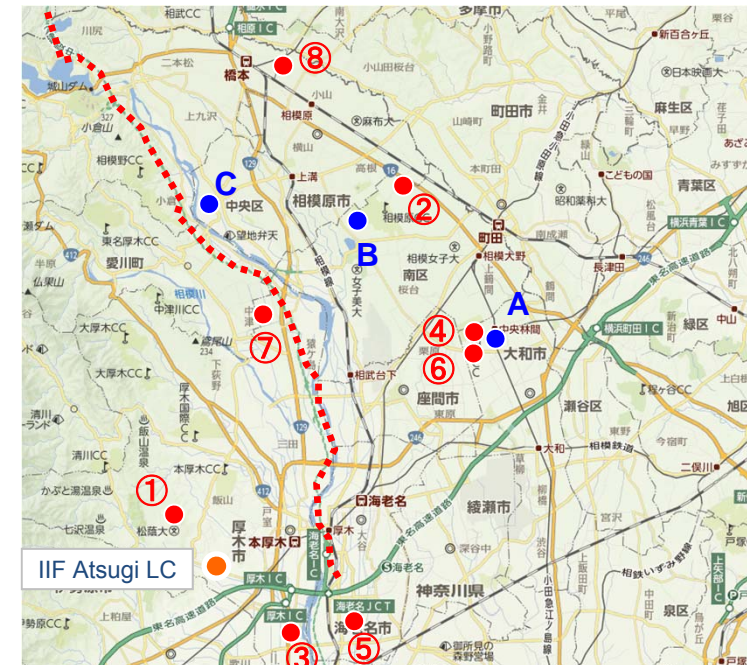
Average Offer Rent Trend in the Area

(Yen / Tsubo)



(Source) CBRE

Ken-O Expressway
(Planned to open in
FY2012 or FY2013)



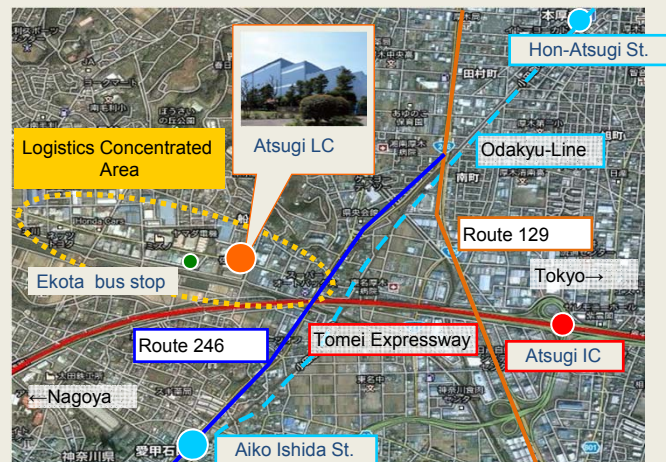
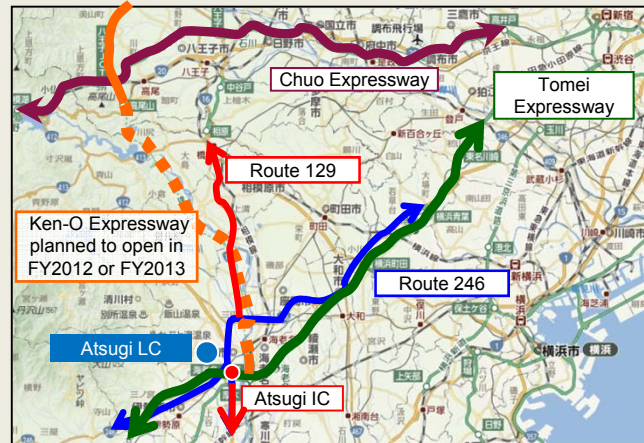
- Atsugi being the key location to cover Tama, Yokohama and Kawasaki area, we have thus far received numerous inquiries
- Opening of Ken-O Expressway in FY2012 or FY2013 connected to the entire Kanto district will further add value to this area
- Projected new supply of large multi-type facilities in the area may impact the current supply-demand balance

Leasing Status of IIF Atsugi Logistics Center (2) – Facility Features

Competitive Location Covering the Tokyo Metropolitan Area

Location

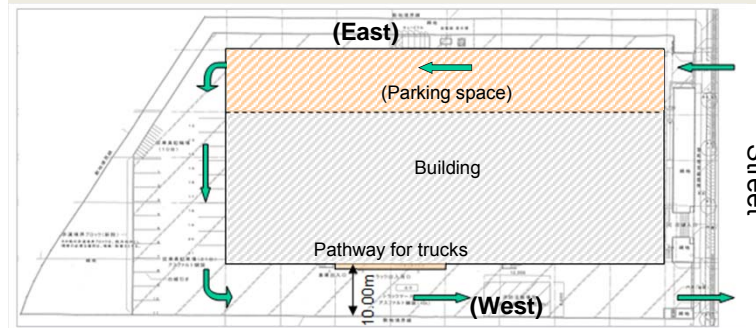
- Approx. 3km to Tomei Expressway Atsugi IC
- Good access to Route 246 and Route 129, major longitudinal roads across Kanagawa Prefecture
- 20 minutes walk to the nearest station, Aiko Ishida of Odakyu-Line
- Nearest bus stop "Ekota" to Hon-Atsugi station or Aiko Ishida station of Odakyu-line



High Spec Facility

Pathways

- Circuit route enables a seamless transit for trucks
- 52 parking lots for employees



East side

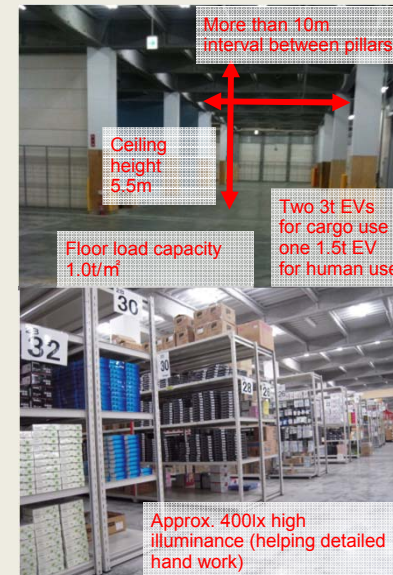


West side



Facility Specification

High spec facility suitable for processing and distribution operation (AC, high illumination and resting room)



Upside Potential of DPU

Continuous Effort for Further DPU Increase for the 11th Period (Currently forecasted at **13,760 yen)**

■ Acquisition of New Assets by Utilizing 2.1 billion yen of Proceeds Surplus from PO (the below number is not assumed in current forecast of 13,760 yen)

【Reference】 Expected impact of property acquisitions on the 11th Period DPU

		Assumed Acquisition Price					
		4,000 million yen (cash reserves + borrowing)		3,000 million yen (cash reserves + borrowing)		2,000 million yen (cash reserves)	
		6 months (contribution period)	3 months (contribution period)	6 months (contribution period)	3 months (contribution period)	6 months (contribution period)	3 months (contribution period)
NOI yield (after depreciation)	6.00%	+666 yen	+333 yen	+546 yen	+273 yen	+427 yen	+213 yen
	5.50%	+595 yen	+297 yen	+493 yen	+246 yen	+391 yen	+195 yen
	5.00%	+524 yen	+262 yen	+440 yen	+220 yen	+356 yen	+178 yen
LTV after acquisition		48.9%		48.6%		48.3%	

(Note) The above is simulated based on the increase in profit/loss from newly acquired properties and interest amount estimated from the current borrowings

■ Leasing of IIF Atsugi Logistics Center (the below number is not assumed in current forecast of 13,760 yen)

【Reference】 Effect of IIF Atsugi Logistics Center's new lease term on the 11th Period DPU

		Assumed Lease Date	
		July 1, 2012 (6 months contribution)	October 1, 2012 (3 months contribution)
Rent (yen/tsubo)	4,000	+520 yen	+260 yen
	3,500	+455 yen	+228 yen
	3,000	+390 yen	+195 yen

Appendix

Operating Results of the 9th Period

(million yen)

Item	8th Period	9th Period	Period-Over-Period	
1. Operating Revenue	3,295	3,526	230	+7.0%
A. Operating Expense	1,673	1,691	18	+1.1%
2. Operating Income (1-A)	1,622	1,834	211	+13.1%
B. Non-Operating Income	3	2	(0)	-26.1%
C. Non-Operating Expense	587	677	89	+15.2%
3. Ordinary Income (2+B-C)	1,038	1,159	121	+11.7%
D. Extraordinary Loss	15	0	(15)	-100.0%
4. Net Income (≒3-D)	1,022	1,158	136	+13.4%
Distributions per Unit (yen)	10,919	12,377	1,458	+13.4%
Capital Expenditure	29	(Note1) 127	98	-
Repair Expense	4	(Note2) 32	27	-
Total	34	159	125	-
Depreciation	575	586	10	-
Number of Properties	16	16	-	-
Occupancy rate	99.9%	99.9%	-	-
Total Acquisition Price	108,240	108,240	-	-
Number of Outstanding Units(unit)	93,632	93,632	-	-

(Note 1) IIF Shinonome LC: 43 million yen for revetment renovation, IIF Koshigaya LC: 29 million yen for exterior coating and other works, IIF Haneda MC: 25 million yen for renovation of connecting bridge underpinning, IIF Nishinomiya LC: 19million yen for renovation of south-east and south-west sides of exterior wall

(Note 2) IIF Atsugi II: 9 million yen for repair of air conditioner and in-house power generation system and other works, IIF Kobe DHC: 7 million yen for repair of heat exchangers for air-conditioning and other works, IIF Shinsuna LC: 4 million yen for painting of iron exterior wall, IIF Koshigaya LC: 3 million yen for repair of leaking roof, IIF Nishinomiya LC: 2 million for renovation of south-east and south-west sides of exterior wall

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

(million yen)

Operating Revenue +230

- ✓ Rent and other revenue from 5 properties acquired in connection with the offerings in 2011 (6-month contribution) +223
- ✓ Existing portfolio +7
 - IIF Totsuka TC fixed asset tax and city planning tax incurred by a tenant (6-month contribution) +8
 - IIF Haneda MC reactionary reduction due to amendment of past fees for state-owned land usage incurred by a tenant -78
 - IIF Atsugi LC cancellation penalty (Mitsubishi Corporation LT) +74

Operating Expenses +18

[Expense for property leasing activities] -15

- ✓ Expenses for 5 properties acquired in connection with the offerings in 2011 (6-month contribution) +30
 - PM fee, building management expense, depreciation cost, etc. +20
 - Repair and maintenance cost +10
- ✓ Existing portfolio -45
 - Fixed asset tax and city planning tax for acquisitions during the 5th and 6th periods (6-month contribution) (IIF Narashino LC, IIF Totsuka TC, IIF Yokohama Tsuzuki TC) +14
 - Increase in repair and maintenance cost +17
 - Reactionary decrease due to amendment in the past fees for state-owned land usage of Haneda MC -78

[Other Operating Expenses] +33

- ✓ Attorney fee for contract renewal for IIF Kobe DHC +20

Non-operating Expenses +89

- ✓ Interest paid concerning additional borrowing for the offerings in 2011 (6-month contribution)

Extraordinary Loss -15

- ✓ Reactionary decrease of posted extraordinary loss concerning the Great East Japan Earthquake
(All the measures concerning the Earthquake was completed by the end of the previous period)

Forecasts for the 10th Period

(million yen)

Item	9th Period	10th Period	Period-Over-Period	
1. Operating Revenue	3,526	4,402	875	+24.8%
A. Operating Expense	1,691	2,018	326	+19.3%
2. Operating Income(1-A)	1,834	2,383	548	+29.9%
B. Non-Operating Income	2	0	(2)	-100.0%
C. Non-Operating Expense	677	684	7	+1.0%
3. Ordinary Income(2+B-C)	1,159	1,699	539	+46.6%
D. Extraordinary Income	0	95	95	-
E. Extraordinary Loss	0	14	14	-
4. Net Income(≡3+D-E)	1,158	1,779	620	+53.6%
Distributions per Unit (yen)	12,377	12,654	277	+2.2%
Capital Expenditure	127	(Note1) 56	(71)	-
Repair Expense	32	(Note2) 45	13	-
Total	159	101	(57)	-
Depreciation	586	690	104	-
Number of Properties	16	22	6	-
Occupancy rate	99.9%	99.9%	-	-
Total Acquisition Price	108,240	145,514	37,274	+34.4%
Number of Outstanding Units(unit)	93,632	140,632	47,000	+50.2%

(Note 1) IIF Atsugi LC: 45 million yen for new berths, IIF Haneda MC: 6 million yen for renewal of pressure feeding pump and 2 million yen for strengthening roof crest of M1 and M2

(Note 2) IIF Atsugi LC: 11 million yen for restoration of original state (approx. 8 million yen to be received from tenants), 8 million yen for demolition and disposal for establishing new berths, IIF Kobe DHC: 3 million for complete checkup of electric facilities, IIF Saitama LC: 1 million yen for upgrading a shutter, IIF Nagoya LC: 1 million yen for upgrading a shutter, IIF Yokohama Tsuzuki TC: 1 million yen for overhaul of coolant water pump

Reasons for Major Changes in Profit for the Period Ending in December 2012 (Period-over Period)

Item	11th Period	(million yen)
1. Operating Revenue	4,903	
2. Operating Income	2,713	
3. Ordinary Income	1,936	
4. Net Income	1,935	
Distributions per Unit (yen)	13,760	
Operating Revenue		
Rent and other revenue from 6 properties planned to be acquired in connection with the offerings in 2012 (6-month contribution)		
+ 630		
IIF Kobe DHC rent revision (6-month contribution)		
- 46		
Vacancy in IIF Atsugi LC (assuming for full-year vacancy)		
- 84		
Operating Expenses		
Expenses for 6 properties planned to be acquired in connection with the offerings in 2012 (6-month contribution)		
+ 115		
Fixed asset tax and city planning tax for 5 properties acquired in connection with the offerings in 2011(6-month contribution)		
+ 23		
Non-operating Expenses		
Interest paid concerning additional borrowing in connection with the offerings in 2012 (6-month contribution)		
+ 22		
Extraordinary Profit・Extraordinary Loss		
Insurance benefit concerning a typhoon/reactionary decrease due to posting expenses for disaster response		
- 81		

Reasons for Major Changes in Profit for the Period Ended June 2012 (Period-over Period)

(million yen)

Operating Revenue	+875
✓ Rent and other revenue from 6 properties planned to be acquired in connection with the offerings in 2012 (approx. 3-months contribution)	+ 950
✓ Existing portfolio	- 75
• IIF Kobe DHC rent revision (About one month contribution)	- 7
• Reactionary decrease due to posting cancellation penalty for Atsugi LC	- 74
Operating Expenses	+326
Expenses for property leasing activities	+213
✓ Expenses for 6 properties planned to be acquired in connection with the offerings in 2012 (approx. 3-months contribution)	+ 192
• PM fee, building management expense, depreciation cost, etc.	+ 176
• Repair and maintenance cost	+ 16
✓ Existing portfolio	+ 20
• Fixed asset tax and city planning tax for 5 properties acquired in connection with the offerings in 2011 (6-months contribution)	+ 23
Other operating expenses	+113
Non-operating Expenses	+7
✓ Interest paid concerning additional borrowing in connection with the offerings in 2012 (approx. 3-months contribution)	+ 80
✓ Cost reduction due to early redemption of subordinated loans, etc.	- 95
✓ Increase in amortization of unit delivery cost in connection with the offerings in 2012 (approx. 3-months contribution)	+ 19
Extraordinary Profit	+95
✓ Insurance benefit concerning a typhoon in September 2011	
Extraordinary Loss	+14
✓ Repair cost concerning a typhoon in September 2011	

Our Portfolio (1)

Portfolio List (22 Properties)

Property Number	Name of Property	Location	Date Completed (Note 1)	Acquisition Price (million yen)	Cap Rate When Acquired	Appraisal Value as of the End of Period (million yen) ^(Note 2)		Total Leasable Area (Note 3)	Occupancy Rate	PML (Note 4)
							Percentage			
L-1	IIF Shinonome Logistics Center ^(Note 5)	Koto-ku, Tokyo	February 2006	13,700	5.3%	14,600	9.8%	27,493.29 m ²	100.0%	4.6%
L-4	IIF Noda Logistics Center	Noda-shi, Chiba	March 2006	6,500	6.0%	6,840	4.6%	38,828.10 m ²	100.0%	0.3%
L-5	IIF Shinsuna Logistics Center	Koto-ku, Tokyo	June 1998	5,300	5.5%	5,800	3.9%	5,741.75 m ²	100.0%	6.4%
L-6	IIF Atsugi Logistics Center	Atsugi-shi, Kanagawa	January 2005	2,100	6.2%	2,170	1.5%	10,959.68 m ²	100.0%	8.7%
L-7	IIF Koshigaya Logistics Center	Koshigaya-shi, Saitama	September 1985	2,000	6.7%	2,280	1.5%	10,113.50 m ²	100.0%	2.6%
L-8	IIF Nishinomiya Logistics Center	Nishinomiya-shi, Hyogo	May 1997	1,300	7.4%	1,470	1.0%	10,608.00 m ²	100.0%	9.1%
L-9	IIF Narashino Logistics Center (land with leasehold)	Narashino-shi, Chiba	—	1,190	6.3%	2,010	1.3%	19,834.71 m ²	100.0%	—
L-10	IIF Narashino Logistics Center II (land with leasehold)	Narashino-shi, Chiba	—	3,350	6.3%	3,890	2.6%	58,070.00 m ²	100.0%	—
L-11	IIF Atsugi Logistics Center II	Atsugi-shi, Kanagawa	October 1992	3,100	7.0%	3,250	2.2%	20,661.13 m ²	100.0%	7.6%
L-12	IIF Yokohama Tsuduki Logistics Center	Yokohama-shi, Kanagawa	September 1998	2,350	6.5%	2,670	1.8%	9,464.03 m ²	100.0%	8.7%
L-13	IIF Saitama Logistics Center	Saitama-shi, Saitama	December 1989	1,490	8.2%	1,720	1.2%	8,995.00 m ²	100.0%	4.2%
L-14	IIF Nagoya Logistics Center	Nagoya-shi, Aichi	April 1990	1,050	7.9%	1,130	0.8%	8,721.01 m ²	100.0%	8.7%
L-15	IIF Atsugi Logistics Center III	Atsugi-shi, Kanagawa	October 1981	2,290	6.8%	2,540	1.7%	16,584.64 m ²	100.0%	7.3%
Logistics Facilities				45,720	6.1%	50,370	33.7%	246,074.84 m ²	100.0%	—
F-1	IIF Totsuka Technology Center(land with leasehold)	Yokohama-shi, Kanagawa	—	4,500	6.1%	4,760	3.2%	31,442.47 m ²	100.0%	—
F-2	IIF Yokohama Tsuduki Technology Center	Yokohama-shi, Kanagawa	February 1996	1,100	7.3%	1,250	0.8%	4,655.48 m ²	100.0%	3.3%
F-3	IIF Mitaka Card Center	Mitaka-shi, Tokyo	April 1994	8,700	7.0%	9,110	6.1%	21,615.01 m ²	100.0%	6.7%
F-4	IIF Shinonome System Development Center	Koto-ku, Tokyo	March 1989	8,800	7.7%	10,700	7.2%	17,045.30 m ²	100.0%	4.5%
F-5	IIF Kamata R&D Center	Ohta-ku, Tokyo	June 1988	7,200	6.6%	7,510	5.0%	21,896.56 m ²	100.0%	7.7%
Manufacturing and R&D Facilities				30,300	7.0%	33,330	22.3%	96,654.82 m ²	100.0%	—
I-1	IIF Kobe District Heating and Cooling Center	Kobe-shi, Hyogo	April 1990	18,100	3.8%	14,300	9.6%	11,189.36 m ²	97.5%	4.2%
I-2	IIF Haneda Airport Maintenance Center	Ohta-ku, Tokyo	June 1993	41,110	4.7%	39,500	26.4%	81,995.81 m ²	100.0%	M1: 4.5% M2: 3.2%
I-3	IIF Zama IT Solution Center	Zama-shi, Kanagawa	November 1988	5,384	7.5%	5,600	3.7%	10,931.89 m ²	100.0%	7.3%
I-4	IIF Shinagawa Data Center	Shinagawa-ku, Tokyo	August 1989	4,900	6.4%	6,300	4.2%	19,547.11 m ²	100.0%	8.9%
Infrastructure Facilities				69,494	4.8%	65,700	44.0%	123,664.17 m ²	99.8%	—
Portfolio Total				145,514	5.7%	149,400	100.0%	466,393.83 m ²	99.9%	3.8%

(Note 1) Date Completed is the year and month when each new property was recorded in the registry book

(Note 2) Appraisal Value as of the End of Period represents the value as of December 31, 2011. L-15, from F-3 to F-5, I-3, and I-4 is based on the valuation reports as of January 10, 2012

(Note 3) Leasable area as described in the relevant lease agreement, except for IIF Shinsuna Logistics Center, for which the total floor space as described in the property registry is indicated

(Note 4) 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 5) This figure of acquisition price, appraisal value, and total leasable area represents 53% co-ownership interest in IIF Shinonome Logistics Center

Our Portfolio (2)

Lease Contracts of Properties Owned (22 Properties after Acquisitions During the 10th Period)

Property Number	Name of Property	Name of Tenants	Annual Rent (million yen)	Percentage	Type of Contract	Lease Term			Lease Term	Lease Term Remaining
L-1	IIF Shinonome Logistics Center (Note 5)	Sagawa Express Co., Ltd.	795	9.0%	Fixed-term	2006/2/21	~	2026/2/20	20.0 years	13.9 years
L-4	IIF Noda Logistics Center	Mitsubishi Corporation LT, Inc.	—	—	Fixed-term	2006/4/10	~	2016/4/10	10.0 years	4.0 years
		Mitsubishi Electric Logistics Corporation	—	—	Fixed-term	2011/5/1	~	2016/4/30	5.0 years	4.1 years
L-5	IIF Shinsuna Logistics Center	Sagawa Express Co., Ltd.	338	3.8%	Fixed-term	1998/7/15	~	2018/7/14	20.0 years	6.3 years
L-6	IIF Atsugi Logistics Center	Stream Co., Ltd.	150	1.7%	Fixed-term	2012/1/1	~	2012/6/30	0.5 years	0.2 years
L-7	IIF Koshigaya Logistics Center	kabushikigaisya Tsukasa	151	1.7%	Fixed-term	2011/1/1	~	2020/12/31	10.0 years	8.8 years
L-8	IIF Nishinomiya Logistics Center	Suzuyo Corporation	120	1.4%	Fixed-term	2005/8/25	~	2025/8/31	20.0 years	13.4 years
L-9	IIF Narashino Logistics Center (land with leasehold)	Kajima Leasing Corporation/JA Mitsui Leasing, Ltd.	—	—	Fixed-term	2001/9/1	~	2021/8/31	20.0 years	9.4 years
L-10	IIF Narashino Logistics Center II (land with leasehold)	Mitsubishi UFJ Trust and Banking Corporation	232	2.6%	Fixed-term	2011/4/28	~	2061/4/26	50.0 years	49.1 years
L-11	IIF Atsugi Logistics Center II	Sun Toshi Tatemono Co., Ltd.	—	—	Ordinary Building Lease	2007/9/1	~	2012/8/31	5.0 years	0.4 years
L-12	IIF Yokohama Tsuduki Logistics Center	Tokyo Logistics Factory Co., Ltd.	—	—	Fixed-term	2009/4/1	~	2024/3/31	15.0 years	12.0 years
L-13	IIF Saitama Logistics Center	MM Corporation	134	1.5%	Ordinary Building Lease	2007/5/24	~	2014/11/30	7.5 years	2.7 years
L-14	IIF Nagoya Logistics Center	DHL Supply Chain Kabushiki Kaisya	97	1.1%	Fixed-term	2011/3/14	~	2014/3/13	3.0 years	1.9 years
L-15	IIF Atsugi Logistics Center III	Tokyo Logistics Factory Co., Ltd.	—	—	Fixed-term	2011/10/27	~	2017/1/31	5.3 years	4.8 years
F-1	IIF Totsuka Technology Center(land with leasehold)	Taisei Corporation	276	3.1%	Fixed-term	2010/3/31	~	2040/3/30	30.0 years	28.0 years
F-2	IIF Yokohama Tsuduki Technology Center	TÜV Rheinland Japan Ltd.	115	1.3%	Fixed-term	2008/10/1	~	2030/9/30	22.0 years	18.5 years
F-3	IIF Mitaka Card Center	JCB Co., Ltd.	730	8.2%	Ordinary Building Lease	2002/8/30	~	2019/2/28	16.5 years	6.9 years
F-4	IIF Shinonome System Development Center	Nihon Unisys, Ltd.	—	—	Ordinary Building Lease	1989/4/1	~	2013/3/31	24.0 years	1.0 years
F-5	IIF Kamata R&D Center	Tokyo KEIKI Inc.	—	—	Fixed-term	2011/5/1	~	2026/3/31	14.9 years	14.0 years
I-1	IIF Kobe District Heating and Cooling Center	Osaka Gas Co., Ltd.	640	7.2%	Fixed-term	2012/6/7	~	2024/6/6	12.0 years	12.2 years
			5	0.1%	Fixed-term	2008/4/1	~	2012/6/6	4.2 years	0.2 years
			1	0.0%	Fixed-term	2010/5/1	~	2012/6/6	2.1 years	0.2 years
I-2	IIF Haneda Airport Maintenance Center	Japan Airlines Co., Ltd.	1,849	20.9%	Fixed-term	2010/8/10	~	2025/12/31	15.4 years	13.8 years
I-3	IIF Zama IT Solution Center	IBM Japan, Ltd.	—	—	Fixed-term	2011/7/26	~	2021/7/25	10.0 years	9.3 years
I-4	IIF Shinagawa Data Center	XYMAX AXIS Corporation	—	—	Fixed-term	2012/3/7	~	2022/3/6	10.0 years	9.9 years

(Note 1) The annual rent for each property is calculated by multiplying the aggregate monthly rent, as indicated in the relevant lease agreement by 12 (The anticipated annual rent for each property was calculated by multiplying the aggregate anticipated monthly rent, as indicated in the relevant lease agreement). The annual rent for IIF Kobe District Heating and Cooling Center is calculated based on the monthly rent provided in the revised lease agreement effective June 7, 2012. The annual rent calculated by rounding the total to the nearest million yen

(Note 2) "Lease term" and "Annual rental rate" are based on the contracts with the tenant by March 7, 2012, and concerning IIF Mitaka Card Center the date of the acquisition is premised to be April 2, 2012

(Note 3) "Percentage" is a ratio to the total of the whole tenants' annual rent, and has rounded to the first decimal place

(Note 4) "Remaining lease term" is computed based on the last acquisition date of the property (April 2, 2012), and the expiry date on the lease contract (having effect in the acquisition date concerning Anticipated Acquisitions). The lease term remaining is calculated based on a weighted average of the annual rent

Our Portfolio (3)

■ Appraisal Value (16 Properties at the end of the 9th Period)

Property Number	Name of Property	Book Value (million yen)	Appraisal Value as of the End of Period (million yen)			Applied Rate					
			Appraisal Value	Period-Over-Period	Period-Over-Period (%)	Direct Capitalization Method Capitalization Rate	DCF Method		year-earlier levels		
							Discount Rate	Terminal Capitalization Rate	Capitalization Rate by Direct Capitalization Method	Discount Rate by DCF Method	Terminal Capitalization Rate by DCF Method
L-1	IIF Shinonome Logistics Center ^(Note 2)	13,494	14,600	+600	+4.3%	5.1%	4.7%	5.3%	-0.2p	-0.2p	-0.2p
L-4	IIF Noda Logistics Center	6,071	6,840	+350	+5.4%	5.6%	5.4%	5.8%	-0.3p	-0.3p	-0.3p
L-5	IIF Shinsuna Logistics Center	5,325	5,800	+90	+1.6%	5.1%	4.8%	5.1%	-0.1p	-0.2p	+0.0p
L-6	IIF Atsugi Logistics Center	1,858	2,170	+30	+1.4%	6.0%	5.5%	6.3%	-0.1p	-0.1p	-0.1p
L-7	IIF Koshigaya Logistics Center	1,995	2,280	+80	+3.6%	5.8%	5.5%	5.9%	-0.2p	-0.2p	-0.2p
L-8	IIF Nishinomiya Logistics Center	1,257	1,470	+40	+2.8%	6.1%	5.8%	6.3%	-0.2p	-0.2p	-0.2p
L-9	IIF Narashino Logistics Center(land with leasehold)	1,223	2,010	+40	+2.0%	—	5.3%	—	—	-0.2p	—
L-10	IIF Narashino Logistics Center II (land with leasehold)	3,435	3,890	+120	+3.2%	5.5%	4.4%	6.2%	-0.2p	-0.2p	-0.2p
L-11	IIF Atsugi Logistics Center II	3,284	3,250	+60	+1.9%	5.7%	5.4%	6.0%	-0.1p	-0.1p	-0.1p
L-12	IIF Yokohama Tsuzuki Logistics Center	2,433	2,670	+90	+3.5%	5.5%	5.3%	5.7%	-0.2p	-0.2p	-0.2p
L-13	IIF Saitama Logistics Center	1,542	1,720	+20	+1.2%	6.2%	5.9%	6.5%	-0.1p	-0.1p	-0.1p
L-14	IIF Nagoya Logistics Center	1,102	1,130	+20	+1.8%	6.4%	6.1%	6.7%	-0.1p	-0.1p	-0.1p
Logistics Facilities		43,024	47,830	+1,540	+3.3%						
F-1	IIF Totsuka Technology Center(land with leasehold)	4,553	4,760	0	0.0%	—	6.0%	—	—	+0.0p	—
F-2	IIF Yokohama Tsuzuki Technology Center	1,189	1,250	+10	+0.8%	5.9%	5.9%	6.3%	+0.1p	+0.0p	+0.0p
Manufacturing and Research and Development Facilities		5,742	6,010	+10	+0.2%						
I-1	IIF Kobe District Heating and Cooling Center	17,705	14,300	-1,500	-9.5%	4.5%	3.7%	4.7%	-0.3p	+0.0p	-0.1p
I-2	IIF Haneda Airport Maintenance Center	41,118	39,500	+1,500	+3.9%	4.5%	3.7%	5.0%	-0.2p	-0.2p	-0.2p
Infrastructure Facilities		58,823	53,800	0	0.0%						
Portfolio Total		107,591	107,640	+1,550	+1.5%						

(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 2011 (9th period): based on the appraisal reports, research reports and opinion letters on price issued by real-estate appraisers.

(Note 2) 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.

Our Portfolio (4)

■ Appraisal Value of Acquired during 10th Fiscal Period

Property Number	Name of Property	Appraisal Value as of Jan. 10, 2012			
		Appraisal Value (million yen)	Capitalization Rate by Direct Capitalization Method (Note 1)	Discount Rate by DCF Method (Note 1)	Terminal Capitalization Rate by DCF Method (Note 1)
L-15	IIF Atsugi Logistics Center III	2,540	5.9%	5.6%	6.1%
Logistics Facilities		2,540			
F-3	IIF Mitaka Card Center	9,110	6.1%	5.9%	6.3%
F-4	IIF Shinonome System Development Center	10,700	5.9%	5.7%	6.1%
F-5	IIF Kamata R&D Center	7,510	6.1%	5.8%	6.3%
Manufacturing and Research and Development Facilities		27,320			
I-3	IIF Zama IT Solution Center	5,600	7.1%	5.8%	7.7%
I-4	IIF Shinagawa Data Center	6,300	4.7%	5.2%	5.6%
Infrastructure Facilities		11,900			
Anticipated Acquisitions Total		41,760			

(Note 1) Capitalization rate by direct capitalization method, discount rate and terminal capitalization rate by DCF method of the appraised value of new (anticipated) acquisitions are indicated based on the appraisal value reports by the real estate appraiser (Japan Real Estate Institute) as of January 10, 2012.

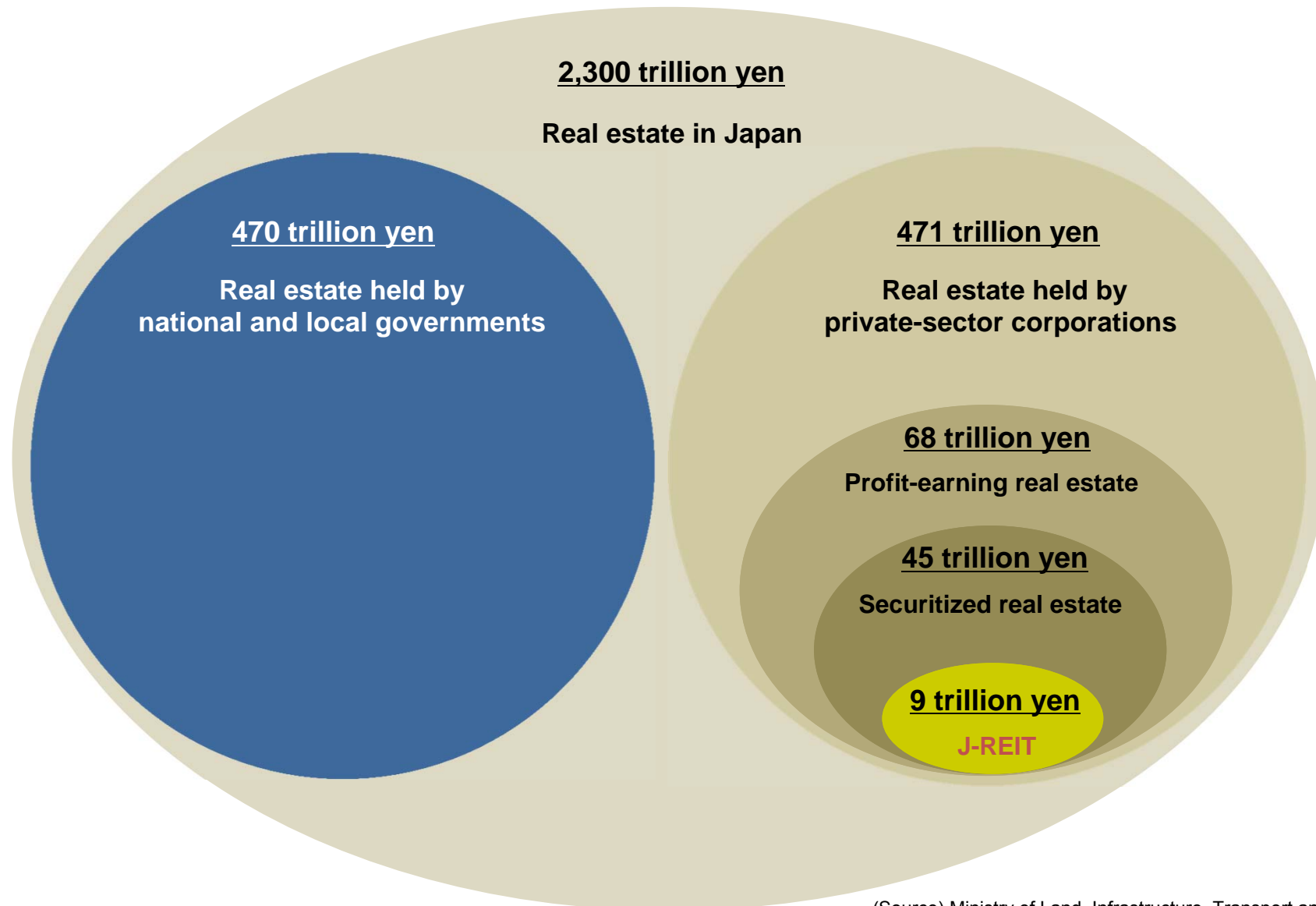
Our Portfolio (5)

Performance by Property

Item	L1 (Shinonome)		L4 (Noda)		L5 (Shinsuna)		L6 (Atsugi)		L7 (Koshigaya)		L8 (Nishinomiya)		L9 (Narashino)		L10 (Narashino II)	
	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th
	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	181days	184days	64days	184days
Rent	397	397	223	222	168	168	74	74	75	75	59	59	Not Disclosed	Not Disclosed	40	115
Others	-	0	16	18	-	-	0	74	0	0	-	-			-	-
Total rental business income	397	397	239	240	168	168	74	149	75	75	59	59			40	115
Management expenses	0	0	6	6	0	0	0	0	0	0	0	0			0	0
Utilities	-	-	9	11	-	-	-	-	0	-	-	-			-	-
Taxes and public dues	31	31	22	22	16	16	6	6	4	4	8	8			0	-
Repair expenses	0	0	0	0	-	4	0	0	0	4	-	2			-	-
Others	1	1	1	1	1	1	1	1	0	0	1	1			0	0
Total rental business expenses	33	34	40	42	18	23	8	9	7	10	11	13			0	0
NOI	364	363	199	197	149	145	66	140	67	65	48	46	39	37	40	115
Depreciation and amortization	46	47	58	58	13	13	31	31	21	22	11	11	-	-	-	-
Rental business profit	317	315	140	139	136	131	34	109	46	42	37	34	39	37	40	115
Rental deposits	1,457	1,457	222	222	84	84	74	12	37	37	89	89	Not Disclosed	Not Disclosed	115	115
Guaranteed deposits	-	-	-	-	269	269	-	-	-	-	-	-			-	-
Total deposits (Ending balance)	1,457	1,457	222	222	354	354	74	12	37	37	89	89			115	115

Item	L11 (Atsugi II)		L12 (Yokohama Tsuzuki)		L13 (Saitama)		L14 (Nagoya)		F1 (Totsuka)		F2 (Yokohama Tsuzuki)		I1 (Kobe)		I2 (Haneda)		8th (Actual)	9th (Actual)
	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th	8th	9th		
	101days	184days	105days	184days	99days	184days	109days	184days	181days	184days	181days	184days	181days	184days	181days	184days		
Rent	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	36	66	28	48	146	155	56	57	377	377	1,423	1,345	3,277	3,430
Others					0	0	-	-	0	0	-	-	1	1	0	0	17	95
Total rental business income					36	66	28	48	146	155	56	57	378	378	1,424	1,345	3,295	3,526
Management expenses					0	1	0	0	0	0	6	6	0	0	1	1	26	33
Utilities					-	-	-	-	-	-	-	-	2	3	-	-	12	15
Taxes and public dues					0	-	0	-	8	16	4	8	13	13	107	107	225	239
Repair expenses					1	1	-	1	-	-	0	0	1	7	-	-	4	32
Others					0	0	0	0	0	0	0	0	1	1	396	318	407	330
Total rental business expenses					1	2	0	2	9	17	12	16	18	25	505	427	677	651
NOI	71	119	48	84	34	63	28	46	137	137	44	40	359	352	918	918	2,617	2,875
Depreciation and amortization	8	13	8	12	6	9	1	2	-	-	4	4	124	124	237	232	575	586
Rental business profit	62	106	40	71	27	54	26	43	137	137	40	36	235	228	680	685	2,042	2,289
Rental deposits	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	33	33	48	48	276	276	92	92	2,493	2,493	973	973	6,225	6,163
Guaranteed deposits					-	-	-	-	-	-	-	-	-	-	-	-	269	269
Total deposits (Ending balance)					33	33	48	48	276	276	92	92	2,493	2,493	973	973	6,495	6,433

Huge growth potential without high acquisition competition

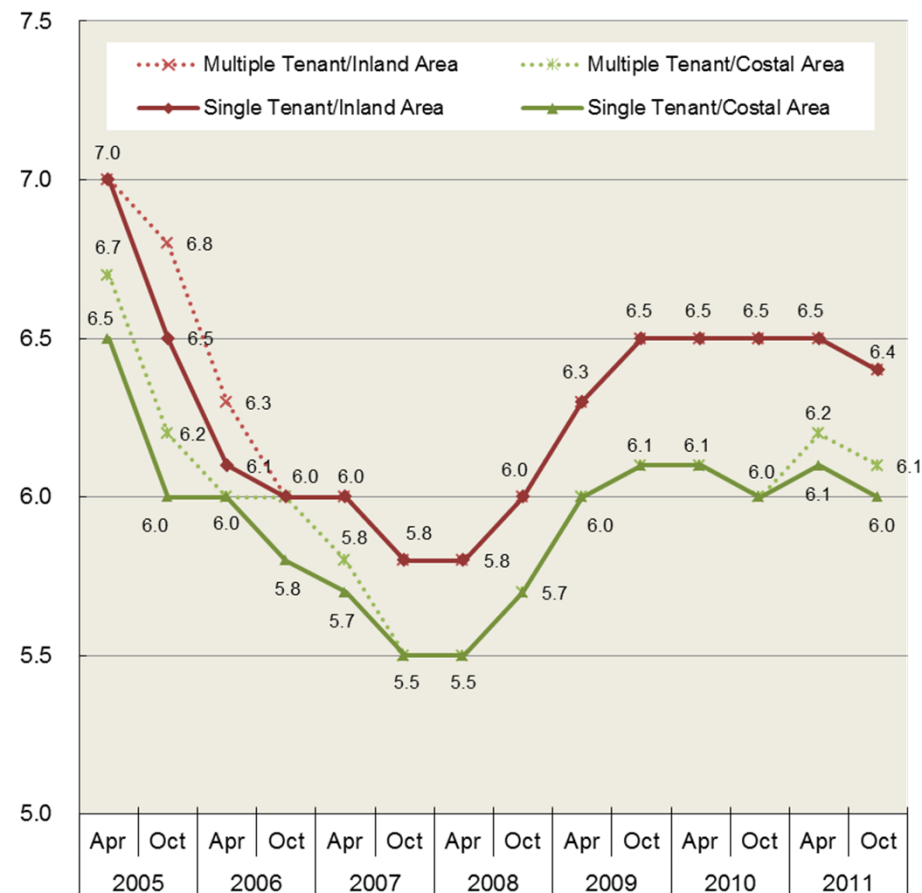


(Source) Ministry of Land, Infrastructure, Transport and Tourism

Overview of the Logistics Market

Expected Cap Rate of Warehouse Property

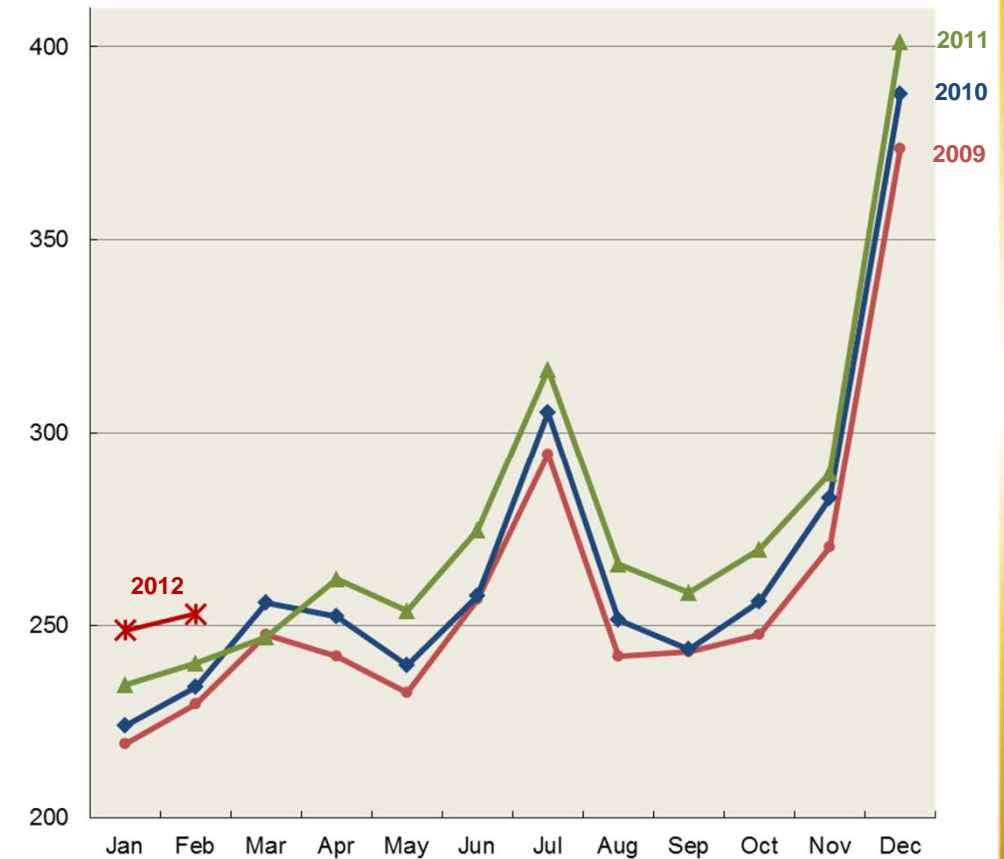
(%) Location: Tokyo



Source: Japan Real Estate Institute "The Japanese Real Estate Investor Survey"

Total Number of Parcels for Home Delivery Service

(Million)



Source: Ministry of Land, infrastructure, Transport and Tourism

Overview of the Logistics Market

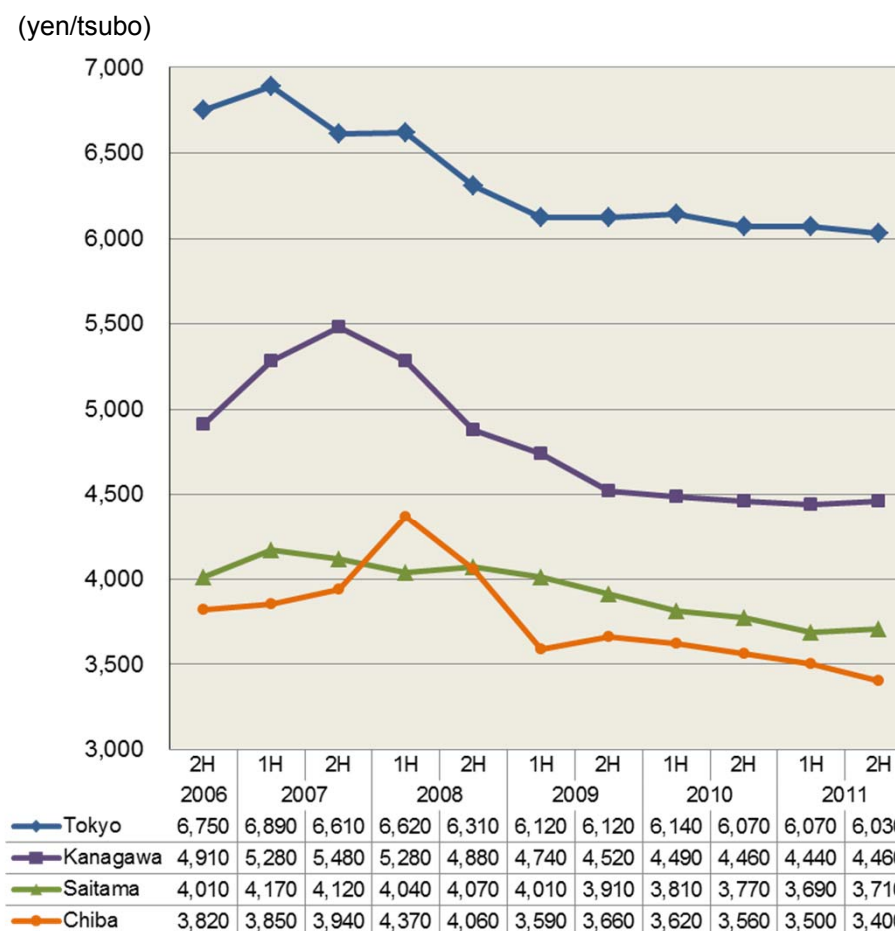
Vacancy Rate of Large-sized Multi-Tenant Properties in the Tokyo Metropolitan Area



* 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: CBRE

Average Monthly Asking Rent for Large-sized Multi-tenant Warehoused



Source: CBRE

Historical Unit Price Since IPO

Historical Unit Price since IPO (October 18, 2007 to May 2, 2012)



(Note 1) Closing price base

(Note 2) Left axis describes relative unit price trends which the closing price of TSE on October 18, 2007 is set as 100%

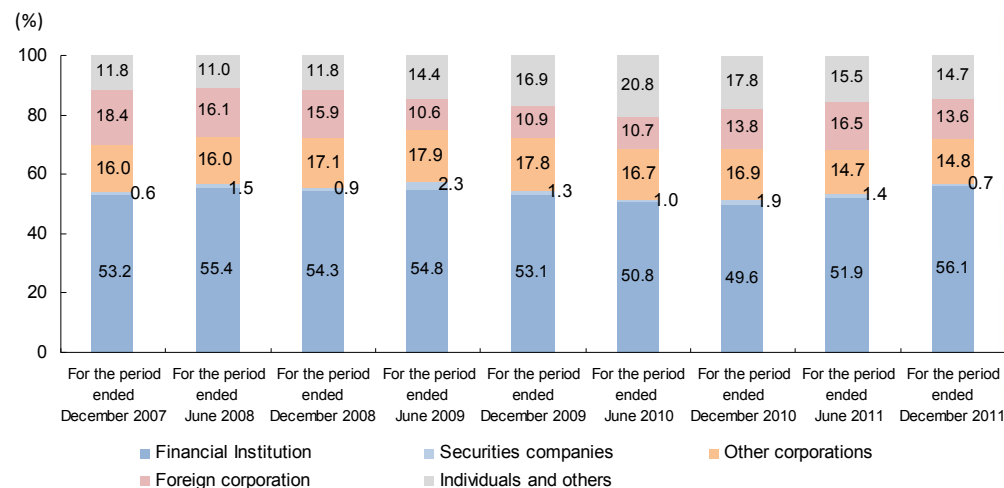
(Source) Based on Bloomberg data

Investors' Attributes

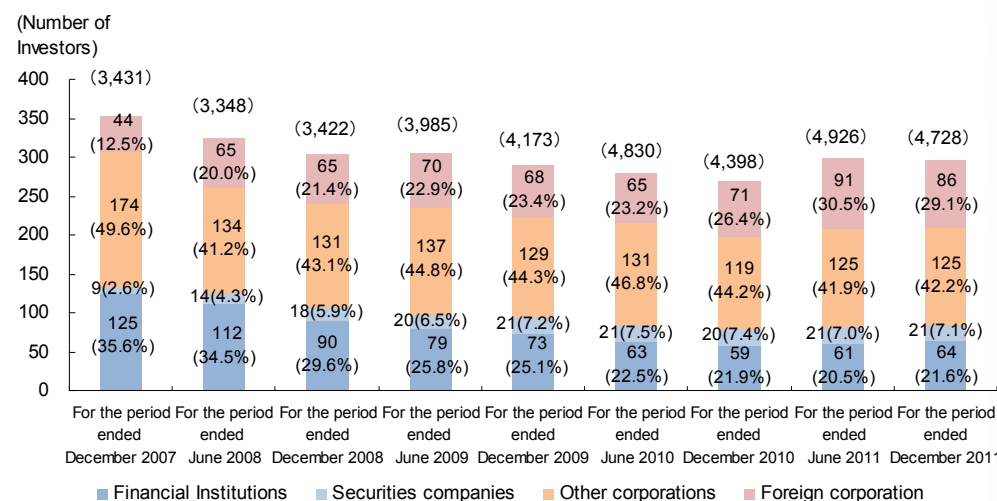
Top 20 Investors as of December 31, 2011

Rank	Name	Number of Units Held	Ownership Ratio (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	14,043	14.99
2	Mitsubishi Corporation	9,600	10.25
3	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	7,541	8.05
4	Nomura Trust and Banking Co., Ltd. (Trust Account)	5,879	6.27
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)	4,014	4.28
8	North Pacific Bank, Ltd.	2,235	2.38
9	Tokushima Bank, Ltd.	1,492	1.59
10	Taiko Bank, Ltd.	1,480	1.58
11	Nomura Bank Luxembourg S.A	1,278	1.36
12	Joyo Bank, Ltd.	1,231	1.31
13	Nippon Tosho Fukyu Co., Ltd.	1,128	1.20
14	Trust & Custody Services Bank, Ltd. (Cash in Trust Taxable Account)	1,013	1.08
15	State Street Bank and Trust Company 505012	819	0.87
16	American Life Insurance Company GAL	608	0.64
17	Mitsubishi Corp. - UBS Realty Inc.	600	0.64
18	State Street Bank and Trust Company	597	0.63
19	Yamaguchi Prefectural Credit Federation of Agricultural Cooperatives	589	0.62
20	The Senshu Ikeda Bank, Ltd.	581	0.62
Total		64,928	69.34

Historical Percentage of Investment Units Held by Investor Type



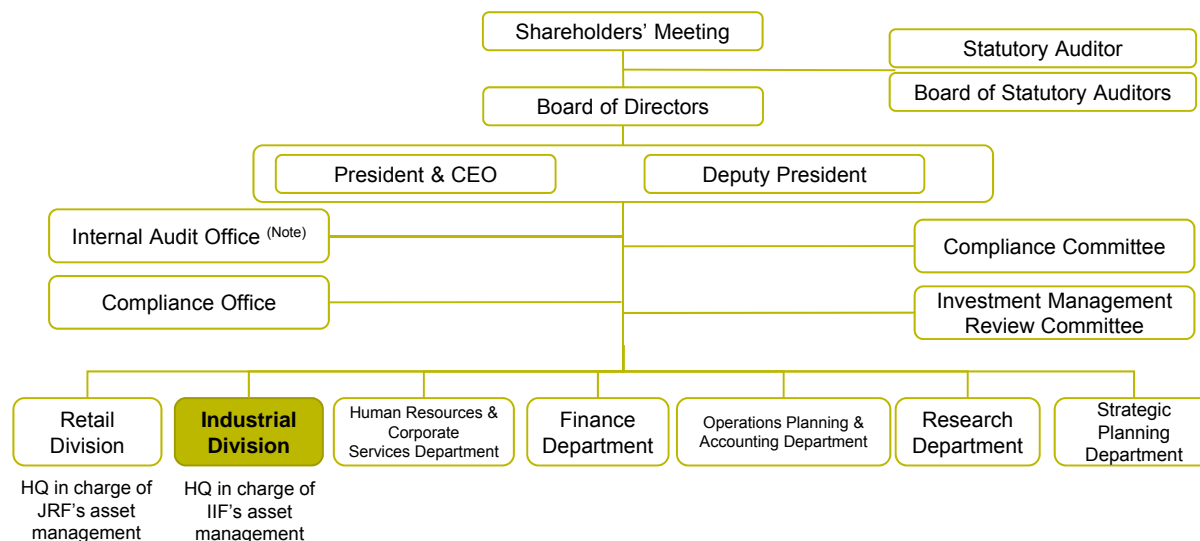
Historical Investors by Investor Type ^(Note 1) (Excluding individuals and others)



(Note 1) The number of all investors including individuals and others in parentheses

Overview of Asset Management Company

Organizational Structure



Japan Retail Fund Investment Corporation

Industrial & Infrastructure Fund Investment Corporation

(Note) Deputy President holds Internal Audit Officer in addition to his role

Asset Management Company:	
Number of Directors and Employees (excluding part-time directors and employees)	89
Number of Licensed Persons Out of the Above	
Licensed Real Estate Agents	39
First-class Architects	5
Real Estate Appraisers	5
Certified Member of Security Analysts Association of Japan	6
CPA	1
Certified Tax Accountants	3
MBA (including US and UK)	3

Note: As of March 1, 2012

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

Mitsubishi Corp UBS Realty

Major Shareholders

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

Note: As of June 30, 2011

Industrial & Infrastructure Fund Investment Corporation

- ▶ 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)