

IIF to Acquire Property in Narashino, Chiba Prefecture

Industrial & Infrastructure Fund Investment Corporation ("IIF") announced today the planned acquisition of the property described below.

1. Summary of Acquisition

1) Type of asset	Real estate (Fixed-term leased commercial land)
2) Property name	IIF Narashino Logistics Center (Land with leasehold interest)
3) Acquisition price	1,190 million yen
4) Acquisition date	February 16, 2010 (scheduled)
5) Seller	ORIX Corporation
6) Acquisition funds	Internal Cash (scheduled)
7) Payment	Full payment at time of transfer

2. Reason for Acquisition

IIF is currently pursuing a strategy of asset replacement (selling certain assets and buying others) from the sixth fiscal period in order to achieve higher distributions. We recently decided to acquire IIF Narashino Logistics Center (Land with leasehold interest, hereinafter referred to as the "Property") as part of this strategy. We will continue efforts to acquire properties whenever we find favorable opportunities to acquire quality assets at attractive prices.

In deciding to acquire the Property, IIF viewed the following points as particularly appealing:

(1) Contribution to higher distributions

This is the first time that IIF has acquired land with leasehold interest. We decided that acquiring the Property would help us to achieve higher distributions for the reason that IIF will not need to recognize building depreciation expenses as IIF will not own any buildings on the land. These factors will allow us to secure a high yield after depreciation compared with the yield of our existing portfolio.

(2) Location

The Narashino area, where the Property is located, is very convenient for access to Tokyo and the Tokyo metropolitan area, and major logistics companies and logistics distribution centers of various manufacturers are concentrated in the area. The Property is particularly convenient in terms of access to major roads including the Higashi Kanto Expressway / Wangan Narashino Interchange, the Keiyo Road / Hanawa Interchange, and the Makuhari Interchange, and it is also located between Haneda Airport and Narita Airport. In the neighborhood of the Property there are many large-scale logistics centers, so we do not believe there is significant risk that land on the neighborhood could be zoned for housing, which would impact logistics operations. And the tenant of this property can expect to easily find labor because of the easy commute by bus from "Shin-Narashino Station" of the Keiyo Line. Moreover, in 2015 a highway is scheduled to be open from the Misato-minami Interchange to the Metropolitan Expressway /Koya Interchange, therefore we believe that the Property has growing potential in the future as land for a logistics center by becoming more convenient for deliveries to the Saitama area

(3) Stable long-term profitability

A commercial lease contract has been concluded for the Property with a major leasing company, and there are about 12 years remaining on the lease. We can therefore expect stable income for an extended period. The buildings on the land are being used as core distribution facilities for a logistics company affiliated with a major food company, and we expect that business to have stable operations over the long

term.

3. Description of the Property to acquire

(1) Description of Real Estate

Property name	IIF Narashino Logistics Center (Land with leasehold interest)
Location	3-34-9, Akanehama Narashino-shi, Chiba
Kind of use area	Area for industrial use only
Land size	19,834m ² (recorded in the official register)
Acquisition price(scheduled)	1,190 million yen
Appraisal value	1,930 million yen (as of December 31, 2009)
Research Agency	Japan Real Estate Institute
Acquisition date	February 16, 2010 (scheduled)
Other noteworthy matters	<p>Before acquiring this property, IIF commissioned an investigation of the soil from Land Solution, Inc. to get an opinion on the survey by the vendor dated March 2005 and to check for possible soil contamination by use of this land after the vendor's survey.</p> <p>According to the vendor's survey, the land contained a contaminant at a exceeding level regularatory standards. However,.when the land was reclaimed from Tokyo Bay, the surface soil used contained Fluorine and the Fluorine is considered to be naturally occurring. In the Soil Contamination Countermeasures Act, the designated standards are exceeded, naturally occurring contamination is exempt from the duty of investigation of soil contamination and removal of specified harmful substance in the specified area in the regulations of the Act. Investigation of any soil pollution from the use of this land after the survey by the vendor indicated no new pollution, and IIF therefore believe that there is no soil contamination of this land.</p>

[Reference: Description of part of building]

Structure/Stores	3 story shingle-roofed and steel-framed construction
Total floor space	8,235.88m ²
Construction completion	August 2001
Designated floor area ratio/ Building-to-land ratio	200% / 50%
Note	None

(2) Profile of Lease

Number of Tenants	1
Name of Tenant	Kajima Leasing Corporation, JA MITSUI LEASING LTD. (joint lessees)
Annual Rent	Not disclosed (*Note)
Leasable Area	19,834.71 m ² (land)
Lease Area	19,834.71 m ² (land)
Period of Leasing Contract	September 1, 2001 to August 31, 2021 (20 years)
Type of Contract	Corporate land lease contract
Revision of rent	Rent may be revised every three years from the start date of the lease based on discussions between the lessor and lessee with consideration given to issues such as taxes and public dues. Regardless of the above, both parties shall be allowed to discuss revising the rent at other times if economic circumstances should change drastically.
Cancellation before ended contract period	Not possible
Deposit	Not disclosed (*Note)
Other Note	If the Buildings continue to exist on the Land after the lease period has expired, the lessor and lessee shall be allowed to discuss concluding a new contract to establish a new commercial leasehold.

(*Note) The tenant has not agreed to disclosure of annual rent and deposit.

4. Profile of Seller

(1)	Name	ORIX Corporation
(2)	Location	4-1-23, Shiba, Minato-ku Tokyo
(3)	Name and Job title of Representatives	Chairman and CEO: Yoshihiko Miyauchi President and COO: Yukio Yanase
(4)	Business	Various kinds of Financial Services
(5)	Capital	143,899 million yen (as of September 30, 2009)
(6)	Date of Establish	April 17, 1964
(7)	Relationship with JRF or asset manager	
	Capital relationship Personal relationship Trade relationship	There is no capital, personal or trade relationship between the Investment Corporation/the Asset Management Company and ORIX Corporation. In addition, there is no noteworthy capital, personal, or trade relationship between affiliated companies of the Investment Corporation/the Asset Management Company and those of ORIX Corporation.
	Interested party	ORIX Corporation does not meet the condition of interested party of the Investment Corporation/the Asset Management Company. In addition, the interest parties of ORIX Corporation do not meet the condition of those of the Investment Corporation and the Asset Management Company.

5. Broker

None

6. Payment

Acquiring by internal cash (scheduled)

7. Schedule of acquisition

Date to decide acquisition	February 15, 2010
Execution date of contract for acquisition	February 15, 2010
Payment date	February 16, 2010 (scheduled)
Date for transfer of property	February 16, 2010 (scheduled)

8. Future Outlook of IIF

For the forecast of the 6th period results (January 1, 2010 - June 30, 2010), please refer to release about the 5th Fiscal Period Results, which was released today.

[Photo of the property]



*IIF acquires only the land, it is included another part of asset which we does not have in the above photo.

[Map of the property]



[Prospective Income and Expenditures for Property]

Forecast of Prospective Income and Expenditures	
Net Operating Income (NOI)	74.8 million yen
NOI yield	6.3%

- The above is based on annual income and expenditures, exclusive of special factors, in the year of acquisition. ·IIF expects that the occupancy rate will be 100%.
- The NOI yield is the NOI divided by the acquisition price (exclusive of tax) of 1,190 million yen and then rounded to the nearest tenth.

[Summary of Appraisal]

Summary of Appraisal Report		
Appraisal Firm	Japan Real Estate Institute	
Appraisal value	1,930 million yen	
Appraisal date	December 31, 2009	
Value based on DCF method(*1)	1,930 million yen	
	Discount rate	5.5%
	Terminal cap rate (*2)	-

*1 Since the real-estate appraiser did not apply the direct capitalization method for the appraisal, only capitalized values calculated using the DCF method are listed.

*2 A terminal cap rate was not used as the appraiser assume that the land will be sold after the land is cleared when the lease period expires to make it a vacant lot based on the commercial lease contract.

[Property Portfolio Overview after acquisition]

Asset Type	Property No.	Name of Property	Acquisition Price (million yen)	Rate of Investment (%)
Industrial Properties	L-1	IIF SHINONOME Logistics Center	13,700	13.7
	L-3	IIF FUNABASHI Logistics Center	9,000	9.0
	L-4	IIF NODA Logistics Center	6,500	6.5
	L-5	IIF SHINSUNA Logistics Center	5,300	5.3
	L-6	IIF ATSUGI Logistics Center	2,100	2.1
	L-7	IIF KOSHIGAYA Logistics Center	2,000	2.0
	L-8	IIF NISHINOMIYA Logistics Center	1,300	1.3
			IIF NARASHINO Logistics Center	1,190
Sub total			41,090	41.0
Infrastructure Properties	I-1	IIF KOBE District Heating and Cooling Center	18,100	18.0
	I-2	IIF HANEDA Airport Maintenance Center	41,110	41.0
Sub total			59,210	59.0
Total			100.300	100.0

·The prefix indicates the property category(L for logistics facilities and I for infrastructure facilities).

·The appraised value of IIF SHINONOME Logistics Center is calculated by taking 53% (the percentage of its joint trust beneficiary interest) of the total, as described in relevant lease agreements.

About IIF: Industrial and Infrastructure Fund Investment Corporation (“IIF”) is the first J-REIT focused on acquiring and operating both industrial and infrastructure properties in Japan — properties that play a vital role in the Japanese economy, and for which IIF expects to see stable demand in the mid to long term. With respect to industrial properties, IIF intends to invest in a diverse portfolio of properties, including manufacturing and research and development facilities. Please refer to our website at <http://www.iif-reit.com/english/index.html>

Contacts: For the further information relating to this press release as well as the Fund and its Asset Manager, please feel free to contact Mr. Yoshito Nishikawa (Telephone Number: 81-3-5293-7090), Head of Industrial Division at Mitsubishi Corp.-UBS Realty, Inc., [Asset Manager for Industrial & Infrastructure Fund Investment Corporation](#).

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It is for informational purposes only, and the Japanese language release should be referred to as the original.