

IIF to Acquire Property in Totsuka, Kanagawa Prefecture

Industrial & Infrastructure Fund Investment Corporation ("IIF") announced today the planned acquisition of IIF Totsuka Technology Center in Kanagawa Prefecture.

For more information on how this acquisition fits into our strategy of property replacement, please refer to the other news releases "Effects of Property Replacement Strategy and Future Target" of today's date. Details of this transaction are as follows.

1. Summary of Acquisition

1) Type of asset (scheduled)	Trust beneficiary interest in real estate (Fixed-term leased commercial land)
2) Property name	IIF Totsuka Technology Center (land with leasehold interest) (please refer to "Section 3. Summary of Property to be acquired")
3) Acquisition price	4,500 million yen
4) Appraisal value	4,710 million yen (as of February 1, 2010)
5) Contract execution date	March 19, 2010 (scheduled)
6) Acquisition date (scheduled)	March 31, 2010 (scheduled)
7) Seller	Taisei Corporation (please refer to "Section 4. Profile of Seller")
8) Acquisition funds	Internal cash (scheduled to use proceeds from sale of "IIF Funabashi Logistics Center")
9) Payment	Full payment at time of transfer

2. Reasons for acquisition of the property

IIF Totsuka Technology Center is our first acquisition in the asset category of factory, research and development facility, and we plan to acquire the land with leasehold interest in a sale / leaseback transaction.

In evaluating the acquisition of the property, IIF viewed the following points as particularly appealing:

1) Contribution to higher distributions

We expect that the property will help us to achieve higher distributions because IIF will not need to recognize building depreciation expenses as IIF will not own any buildings at the property. This will allow us to secure a high yield after depreciation compared with the yield of our existing portfolio.

2) Location

IIF Totsuka Technology Center is about 10 minutes by bus from the nearest train station, "Higashitotsuka Station" on the JR Yokosuka and JR Shonan Shinjuku Lines. From there it is about 40 minutes to the Shinjuku area where the head office of Taisei Corporation is located, about 10 minutes to Yokohama Station, about 30 minutes to Shinagawa Station, so it is very convenient as a technology center. By car, this property has convenient access to the Yokohama Shindo / Kamiyabe Interchange and the Kawakami Interchange. Furthermore, in the neighborhood of this property, many condominiums and houses are concentrated.

3) Stable long-term profitability

This property is the only technology center of Taisei Corporation, which is a large construction company in Japan where they carry out basic research (materials / structures), various kinds of experiments / analysis (earthquake / fire / wind, water environment, etc.). We will execute long lease contract of 30 years, and for the tenant, this facility is very important and we expect that business to have stable operations over the long term

3. Summary of Property to be acquired

Property name	IIF Totsuka Technology Center (Land with leasehold interest)
Location	334-1, Uchikune, Nase-cho, Totsuka-ku, Yokohama-shi, Kanagawa
Zoning	A Class 1 housing area, a Class 1 low building for housing use only
Land size	31,442.47m ² (recorded in the official register)
Type of possession	Ownership
Acquisition price (scheduled)	4,500 million yen
Appraisal value	4,710 million yen (as of February 1, 2010)
Appraisal firm	Japan Real Estate Institute
Acquisition date	March 31, 2010 (scheduled)
Other noteworthy matters	As of March 31, 2010, there is a part of the property for which a contract on recognition of the boundary.
Number of Tenants	1
Name of Tenant	Taisei Corporation
Annual Rent	276,150,000 yen
Leasable Area	31,442.47 m ² (land)
Lease Area	31,442.47 m ² (land)
Period of Leasing Contract	March 31, 2010 to March 30, 2040 (30 years)
Type of Contract	Corporate land lease contract
Revision of rent	For the first 15 years rent may not be revised, thereafter every three years rent may be revised after mutual consultation.
Cancelation before ended contract period	Not possible for the first 15 years, thereafter every March the tenant can cancel with two years notice.
Deposit	276,150,000 yen
Other Note	Taisei Corporation will pay the fixed property tax to IIF in addition to the rent noted above. Before acquisition of this property, IIF ordered an environmental investigation and evaluation (PHASE1) Land Solution Inc. As a result, we received report that this was a forest and land for agriculture before acquisition by Taisei Corporation. And in a part of the building on this land, specified toxic substances are used. However, the possibility of having them an impact on health of humans and the living environment is very slight. Even if soil contamination by Taisei Corporation is discovered, Taisei Corporation must compensate for any damage which IIF suffers, and in the case that it is necessary to take away contaminated soil to another area, it is provided in the contract that Taisei Corporation will remove contaminated soil promptly at their own expense and responsibility.

[Reference: Summary of main part of building (main building for technology center)]

Name of building	Building for research, management and information management	Building for of fireproofing laboratory
Total floor space	Five story flat-roofed and steel-framed construction	Three story and one basement flat-roofed and steel-framed construction
Structure/Stores	7,144.97m ² (recorded in the official register)	2,174.65 m ² (recorded in the official register)
Construction completion	July 1979 (extended and renovated in 2007)	September 1997
Designated floor area ratio/ Building-to-land ratio	Class 1 housing area: 200% / 60% Class 1 low building for housing use only: 80% / 50%	
Note	Attached building: 17	

Total floor: 13,929.04m ² (recorded in the official register)

4. Profile of Seller

(1)	Name	Taisei Corporation
(2)	Location	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3)	Name and Job title of Representatives	President and CEO: Takashi Yamauchi
(4)	Business	Building construction, civil engineering
(5)	Capital	112,448 million yen (as of September 30, 2009)
(6)	Date of Establishment	December 28, 1917
(7)	Relationship with IIF 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 Taisei Corporation. In addition, there is no noteworthy capital, personal, or trade relationship between affiliated companies of the Investment Corporation / Asset Management Company and those of Taisei Corporation.
	Interested party	Taisei Corporation does not meet the condition of interested party of the Investment Corporation / the Asset Management Company. In addition, the interest parties of Taisei Corporation do not meet the condition of those of the Investment Corporation and the Asset Management Company.

5. Situation of seller

We are not acquiring this property from an interested party of IIF and the Asset Management Company.

6 Broker

None

7. Payment

Paying in cash using proceeds from the sale of IIF Funabashi Logistics Center (scheduled)

8. Schedule of acquisition

Execution date of contract for acquisition	March 19, 2010 (scheduled)
Payment date	March 31, 2010 (scheduled)
Date for transfer of property	March 31, 2010 (scheduled)

9. Future Outlook of IIF

For the forecast of the 6th period results (January 1, 2010 - June 30, 2010), please refer to the release "IIF Raises its Forecast for Operating Results and Distribution for the 6th Fiscal Period" of today's date.

[Map of the property]



[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.

[Prospective Income and Expenditures for Property]

(million yen)

Forecast of Prospective Income and Expenditures	
Net Operating Income (NOI)	274.5
NOI yield	6.1%

*The above is based on annual income and expenditures, exclusive of special factors, in the year of acquisition.

*The NOI yield is the NOI divided by the acquisition price (exclusive of tax) of 4,500 million yen and then rounded to the nearest tenth.

[Summary of Appraisal]

Summary of Appraisal Report		
Appraisal Firm	Japan Real Estate Institute	
Appraisal value	4,710 million yen	
Appraisal date	February 1, 2010	
Value based on DCF method (Note1*)	4,710 million yen	
	Discount rate	6.0%
	Terminal cap rate (Note2*)	-%

*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	14.3
	L-4	IIF NODA Logistics Center	6,500	6.8
	L-5	IIF SHINSUNA Logistics Center	5,300	5.5
	L-6	IIF ATSUGI Logistics Center	2,100	2.2
	L-7	IIF KOSHIGAYA Logistics Center	2,000	2.1
	L-8	IIF NISHINOMIYA Logistics Center	1,300	1.4
	L-9	IIF NARASHINO Logistics Center (land with leasehold interest)	1,190	1.2
Sub total			32,090	33.5
Factory and research development Property	F-1	IIF TOTSUKA Technology Center (land with leasehold interest)	4,500	4.7
Sub total			4,500	4.7
Infrastructure Properties	I -1	IIF KOBE District Heating and Cooling Center	18,100	18.9
	I -2	IIF HANEDA Airport Maintenance Center	41,110	42.9
Sub total			59,210	61.8
Total			95,800	100.0

*The prefix indicates the property category(L for logistics facilities, F for factory, research and development 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.

Investor Relations: Telephone Number: 81-3-5293-7091

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