

ORIX JREIT Inc. (TSE: 8954)
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**ORIX JREIT announces the acquisitions of
4 more properties and the issuance of additional investment units**

Tokyo, Japan, August 18, 2003 – ORIX Asset Management Corp. (“OAM”), the asset management company of ORIX JREIT Inc. (“OJR”) announced today that it has concluded purchase agreements to acquire four additional properties for the amount of JPY24.477 billion. These acquisitions are to be funded by the issuance of new investment units, which is expected to result in a significant reduction in the Loan-to-value of OJR.

1. Acquisition of new buildings

Today, OJR has concluded purchase agreements with respect to the following properties (the “Properties”) conditional upon the financing being successfully completed. The total acquisition price of the Properties is expected to be JPY24.477 billion, which will be paid within 14 days from the completion of the financing, or within the period otherwise agreed amongst the parties.

1. ORIX Shinjuku Building

Location : 3-25, Shinjuku 4-chome, Shinjuku-ku, Tokyo
Completion : May 2003
Current owner(s) : ORIX Real Estate Corp. ⁽¹⁾ (60%)
: Nippon Steel Corp. (40%)
Gross Floor Area : 8,729.09 m²
Acquisition price : JPY8.30 billion ⁽²⁾

2. ORIX Jimbo-cho Building

Location : 4-13, Kanda Jimbocho 2-chome, Chiyoda-ku, Tokyo
Completion : March 1997
Current owner : ORIX Corp. ⁽¹⁾
Gross Floor Area : 4,247.18 m²
Acquisition price : JPY4.17 billion ⁽²⁾

3. ORIX Shiba 2-chome Building

Location : 14-5, Shiba 2-chome, Minato-ku, Tokyo
Completion : January 2003
Current owner : ORIX Real Estate Corp. ⁽¹⁾
Gross Floor Area : 9,223.18 m²
Acquisition price : JPY7.50 billion ⁽²⁾

4. Nagoya Itochu Building

Location : 5-11, Nishiki 1-chome, Naka-ku, Nagoya City, Aichi Pref.
Completion : February 1981
Current owner : ORIX Real Estate Corp. ⁽¹⁾
Gross Floor Area : 17,981.69 m²
Acquisition price : JPY4.50 billion ⁽²⁾

Notes:

- (1) Related parties to OAM as defined in article 15 of the Investment Trust Law of Japan.
(2) Acquisition prices are equal to appraisal values that were obtained from Chuo Real Estate Appraisal Co., Ltd. as of 31 May 2003, except for the Nagoya Itochu Building, where the appraisal value was obtained from Tanizawa Sogo Appraisal Co., Ltd. as of 31 May 2003.

2. Offering of new units

The Board of Directors of OJR has determined today to issue new investment units to investors in the form of a public offering in Japan (the "Offering"), proceeds of which will be used to acquire additional properties and to repay debt. No public offer is being made in any place other than in Japan. Following the completion of the Offering, total number of units is expected to increase from 123,372 to 175,372, and the Loan-to-value is expected to decline to approximately 41%.

Total number of units offered : 52,000
Aggregate proceeds : JPY25,000,000,000 ⁽¹⁾
Lead underwriters : Daiwa Securities SMBC Co. Ltd.
: UBS Securities Japan Ltd.
Closing date : 18 September 2003⁽²⁾

Notes:

- (1) Aggregate proceed from the Offering is subject to change depending on the pricing of the newly issued units.
(2) The Offering may close on 17 September 2003 in certain circumstances.

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3. Change in financial projections

As a result of the acquisition of the Properties and the Offering, OAM announced a change in distribution projection for the 4th fiscal period, ending in February 2004 as below.

| | Operating revenue | Net income | Distribution per Unit (JPY) |
|---------------------|-------------------|------------|-----------------------------|
| Previous projection | 5,169 | 1,772 | 14,356 |
| Revised projection | 5,957 | 2,281 | 13,011 |
| *Change | 788 | 509 | -1,345 |
| *Percentage Change | 15.2% | 28.7% | -9.3% |

(In JPY million, except otherwise indicated)

Major assumptions for the revision include the following:

- ? ? No additional acquisitions other than the Properties, to the current portfolio of 41 properties for the remainder of the 4th fiscal period.
- ? ? Number of units for the period is 175,372 units, which is the sum of the total outstanding units (123,372) and new units to be issued from the Offering (52,000).
- ? ? Loan to value for the period, which is calculated by dividing the total interest-bearing debt by the sum of interest-bearing debt and paid-in capital, is expected to be at 41%.
- ? ? Extraordinary expense of JPY97 million for the costs related to the Offering.
- ? ? Property taxes with respect to the Properties have been capitalised as part of the transaction costs for the acquisitions, in line with usual commercial practice.

Important Notice

OJR is a real estate investment corporation (commonly referred to as a J-REIT) listed on the Tokyo Stock Exchange JREIT Section (TSE: 8954) whose objective is to provide stable income returns to investors over the mid- to long-term through investing in diversified types of quality real estate, mostly in the Greater Tokyo Metropolitan area. ORIX Asset Management, a wholly-owned subsidiary of ORIX Corp. (TSE: 8591), provides the asset management services for OJR. Certain information contained in this press release, including the estimates of future distributions, may be forward-looking statements that are based on assumptions or expectations that OAM believes are reasonable as at the date of this document. There can be no assurance that such assumptions or expectations can be realised due to various material factors, including, but not limited to, changes in general economic conditions, including those affecting OJR's tenants, OJR's ability to maintain occupancy and to timely lease or re-lease space at current or anticipated rents, changes in operating costs and interest expenses, and acquisitions of additional properties. Forward-looking statements are not guarantees of future performance.

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Appendix:

Photo 1: ORIX Shinjuku Building



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Photo 2: ORIX Jimbo-cho Building



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Photo 3: ORIX Shiba 2-chome Building



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Photo 4: Nagoya Itochu Building



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Portfolio Summary

| | Property Name | Acquisition | | Percentage of Total Acquisition Cost | | |
|-------------------|-----------------------|-----------------------------|-----------------------------|--------------------------------------|--------|-------|
| | | Date | Price | | | |
| Office | Tokyo Central 3 Wards | Akasaka Kyowa | 2001/12/1 | 2,087 | 1.50% | |
| | | Aoyama Suncrest | 2001/12/1 | 3,356 | 2.41% | |
| | | Ascend Kanda | 2001/12/1 | 670 | 0.48% | |
| | | Nikko Ichi-bancho | 2001/12/1 | 3,900 | 2.81% | |
| | | VX Kayabacho | 2001/12/1 | 880 | 0.63% | |
| | | DaVinci Shirogane-dai | 2001/12/21 | 1,300 | 0.94% | |
| | | DaVinci Higashi Nihonbashi | 2001/12/21 | 1,720 | 1.24% | |
| | | DaVinci Akasaka Mitsuke | 2001/12/21 | 1,650 | 1.19% | |
| | | DaVinci Shiba 2 | 2001/12/21 | 707 | 0.51% | |
| | | DaVinci Aoyama | 2001/12/21 | 4,529 | 3.26% | |
| | | Landic Minami Azabu | 2002/1/10 | 1,394 | 1.00% | |
| | | Landic Akasaka | 2002/1/10 | 11,580 | 8.33% | |
| | | Landic Akasaka 2 | 2002/1/10 | 2,624 | 1.89% | |
| | | Landic Akasaka 3 | 2002/1/10 | 697 | 0.50% | |
| | | Landic Mita 2 | 2002/1/10 | 1,748 | 1.26% | |
| | | Shiba Daimon | 2002/1/10 | 2,195 | 1.58% | |
| | | Landic Nagai | 2001/12/21 | 3,378 | 2.43% | |
| | | ORIX Shiba 2-chome Building | 2003/9/29 | 7,500 | 5.40% | |
| | | ORIX Jimbo-cho Building | 2003/9/29 | 4,177 | 3.01% | |
| | | Subtotal | - | 56,092 | 40.36% | |
| | Other Tokyo Wards | Carrot Tower | 2001/12/1 | 5,479 | 3.94% | |
| | | Center Machiya | 2001/12/1 | 610 | 0.44% | |
| | | Toyo MK | 2001/12/1 | 5,270 | 3.79% | |
| | | Nikko Moto Yoyogi | 2001/12/1 | 5,091 | 3.66% | |
| | | Nikko Kagurazaka | 2001/12/1 | 1,600 | 1.15% | |
| | | Round-Cross Nishi Shinjyuku | 2001/12/1 | 2,650 | 1.91% | |
| | | DaVinci Gotanda | 2001/12/21 | 587 | 0.42% | |
| | | DT Gaien | 2001/12/21 | 2,430 | 1.75% | |
| | | DaVinci Kiba | 2001/12/21 | 2,450 | 1.76% | |
| | | DaVinci Waseda | 2001/12/21 | 1,628 | 1.17% | |
| | | DaVinci Yoyogi | 2001/12/21 | 1,473 | 1.06% | |
| | | Landic Gotanda | 2002/1/10 | 2,113 | 1.52% | |
| | | Sunny Building | 2002/9/30 | 5,300 | 3.81% | |
| | | ORIX Ikebukuro Building | 2003/4/18 | 9,577 | 6.89% | |
| | | ORIX Shinjuku Building | 2003/9/29 | 8,300 | 5.97% | |
| | | Subtotal | - | 54,558 | 39.26% | |
| | | Greater Tokyo | Neo City Mitaka | 2001/12/1 | 2,200 | 1.58% |
| | Subtotal | - | 2,200 | 1.58% | | |
| | Other Parts of Japan | OX Basho no Tsuji | 2001/12/1 | 882 | 0.64% | |
| | | OX Otsu | 2001/12/1 | 181 | 0.13% | |
| | | Nagoya Itochu Building | 2003/9/29 | 4,500 | 3.24% | |
| | Subtotal | - | 5,563 | 4.00% | | |
| | Office Total | - | 118,414 | 85.21% | | |
| | Residential | Tokyo Central 3 Wards | Park Axis Nishi Azabu Stage | 2001/12/1 | 1,219 | 0.88% |
| | | | Subtotal | - | 1,219 | 0.88% |
| | | Other Tokyo Wards | Grand Maison Hakusan | 2001/12/1 | 455 | 0.33% |
| | | | Sonet Kami Ikebukuro | 2001/12/1 | 2,377 | 1.71% |
| Subtotal | - | 2,832 | 2.04% | | | |
| Residential Total | - | 4,051 | 2.92% | | | |
| Others | Other Tokyo Wards | OX Kameido | 2001/12/1 | 438 | 0.32% | |
| | | Subtotal | - | 438 | 0.32% | |
| | Greater Tokyo | Cross Gate | 2002/1/10 | 15,040 | 10.82% | |
| | | Subtotal | - | 15,040 | 10.82% | |
| | Other Parts of Japan | OX Mito | 2001/12/1 | 498 | 0.36% | |
| | | OX Gifu | 2001/12/1 | 528 | 0.38% | |
| Subtotal | - | 1,026 | 0.74% | | | |
| Others Total | - | 16,504 | 11.88% | | | |
| Grand Total | - | 138,969 | 100.00% | | | |

Newly acquired buildings

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