

ORIX JREIT Inc. (TSE: 8954)
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ORIX JREIT Inc. announces acquisition of
ORIX Koraibashi Building and ORE Nagoya Fushimi Building

Tokyo, Japan, April 7, 2005 - ORIX JREIT Inc. ("OJR") announced today that it decided to purchase ORIX Koraibashi Building and ORE Nagoya Fushimi Building.

1. Acquisition summary

Interest to be acquired	Fee simple interest in land and building (common)
Property name	ORIX Koraibashi Building ORE Nagoya Fushimi Building
Acquisition price	JPY5,560,000,000.-(excluding consumption tax) JPY10,040,000,000.- (excluding consumption tax)
Estimated acquisition date	April 27, 2005 May 30, 2005
Current owner / Seller	ORIX Real Estate Corporation (ORE)
Anticipated funding method	Loan proceeds

2. Purpose of the acquisition

OJR has decided to acquire these two properties to further enhance its portfolio quality. OJR particularly appreciates Property's strong points including following ones.

ORIX Koraibashi Building

- 1) Osaka Office Market
 - Positive demand for office space has been observed in Osaka since the latter half of 2003 in line with Japanese economy beginning to show a sign of recovery.
 - More specifically, demand for office space by brand new tenants as well as office space expansion by existing tenants are observed in Osaka.
 - Having said that, tenants are still heavily cost-oriented and demand for building location and facility specifications are quite strict. Rent level does not show sign of increase yet.

* 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 Greater Tokyo Metropolitan area. ORIX Asset Management, a wholly owned subsidiary of ORIX Corp. (TSE: 8591), provides the asset management services for OJR.

2) Subject Site

- Property is located at Koraibashi area that is adjacent to Yodoyabashi area, Osaka's traditional commercial center. Koraibashi area is a commercial area where head quarters of major financial institutions are located. Stable office demand for this Koraibashi area is expected thanks to its convenient location.

3) Property

- ORIX Koraibashi Building (Koraibashi) is located at 3 minutes walk from Yodoyabashi station of Osaka municipal subway Midosuji line.
- Koraibashi was newly built in July 2004 with high specifications including the latest security system using blood stream verification system and strong anti-earthquake durability. The office space is designed as tenants friendly without pillars and has standard floor area of 283 tsubo.
- Taking into account all of these factors, OJR judges Koraibashi is a very competitive office building in the area.

ORE Nagoya Fushimi Building (Fushimi Building)

1) Nagoya Office Market

- With relatively strong economy in Nagoya, increasing office demand has been observed in its business districts.
- Most of new office buildings completed in 2004 has achieved high occupancy and market vacancy rate for office is on a decreasing trend.

2) Subject Site

- Fushimi Building is located at Fushimi area, one of the major business districts in Nagoya. Located between strong Meieki (Nagoya station) and Sakae districts, Fushimi has been experiencing tough market until recently. However, thanks to recovering economy in Nagoya, Fushimi is starting to gain vitality. Most of newly built office buildings in Fushimi is fully occupied.

3) Property

- Fushimi Building stands along Fushimi Street and enjoys high visibility from Fushimi Street. The property is two minutes walk from Fushimi station of Nagoya municipal subway Higashiyama and Tsurumai line. The standard floor area is 342 tsubo.
- Fushimi Building is a new office building completed in February 2004. As for specification, among others, both CFT (Concrete Filled Steel Tube) and quake-absorbing structure are adopted to offer high safety standard to earthquake sensitive Nagoya office users.
- OJR believes that Fushimi Building is quite competitive in the district and can enjoy stable cash flow in the future.

3. OJR's investment policy

Upon acquisition of these two properties, ratio of Tokyo Met. of OJR's portfolio based on acquisition price will come down to 81% temporarily (Including Round-Cross Shinjuku). However, this particular acquisition has been determined pursuant to OJR's basic investment policy that OJR would consider investing in quality properties in certain major cities but Tokyo Met. area under certain ceiling.

OJR will keep making acquisition decisions after thorough study and review on situation of each property market, importance/ position of each particular property in OJR's portfolio, as well as total risk return profile of each property.

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4. Property summary

ORIX Koraibashi Building

1. Property summary

Completion	July 30, 2004
Address	3-2-7 Koraibashi, Chuo-ku, Osaka-city, Osaka
Usage	Office/ Parking
Space	Land 1,668.18 m ² Building 9,748.43 m ² (Total floor area)
Structure	Steel-frame, steel frame reinforced concrete 8 stories above ground with one basement floor (total 9 floors)
Type of Ownership	Fee simple ownership
Appraisal Value	¥5,563,000,000.- (appraised as of January 31, 2005) by Chuo Real Estate Appraisal Co., Ltd.
Anticipated Acquisition Date	April 27, 2005

2. Tenant Information

Number of Tenants	12
Total Leased Space	6,395.49m ²
Total Rentable Space	6,863.85m ²
Occupancy Rate	93.17% as of April 1, 2005

*Tenants do not include those for parking lots.

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ORE Nagoya Fushimi Building

1. Property summary

Completion	February 12, 2004
Address	2-9-29 Nishiki, Naka-ku, Nagoya-city, Aichi
Usage	Office
Space	Land 1,998.46 m ² Building 15,817.39 m ² (Total floor area)
Structure	Steel-flame, 11 stories above ground with one basement floor (total 12 floors)
Type of Ownership	Fee simple ownership
Appraisal Value	¥10,040,000,000.- (appraised as of February 1, 2005) by Chuo Real Estate Appraisal Co., Ltd.
Anticipated Acquisition Date	May 30, 2005

2. Tenant Information

Number of Tenants	7
Total Leased Space	11,920.38m ²
Total Rentable Space	12,205.31m ²
Occupancy Rate	97.67%

*Tenants do not include those for parking lots.

5. Current owner / Seller (Common for both properties)

Name	ORIX Real Estate Corporation (ORE)
Address	2-4-1, Hamamatsu-cho, Minato-ku, Tokyo
Representative	Mr. Hiroaki Nishina
Date of Incorporation	March 11, 1999
Shareholder	ORIX Corporation (100% owner)
Operations	Development, disposition, leasing and management of condominium, single family home, and office buildings
Relationship to OJR	A related party to ORIX Asset Management

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6. Schedule

ORIX Koraibashi Building	
April 8, 2005	Execution of sales and purchase contract
April 27, 2005	Transfer of Property -estimated -
ORE Nagoya Fushimi Building	
April 8, 2005	Execution of sales and purchase contract
May 30, 2005	Transfer of Property -estimated -

7. Fiscal period forecast after acquisition of Property

OJR will disclose the seventh fiscal period financial forecast (March 1 - August 31, 2005) including these two properties on April 18, 2005 together with the sixth fiscal period results.

[Addendum]

- I. Property photo, Site map
- II. Appraisal summary
- III. Portfolio summary after acquisition of the two properties
- IV. Portfolio summary before acquisition

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I. Property photo, Site map

<Property photo>

ORIX Koraibashi Building



ORE Nagoya Fushimi Building



<Site Map>

ORIX Koraibashi Building



ORE Nagoya Fushimi Building



ORIX JREIT Inc.

ORIX Asset Management Corporation

II. Appraisal summary

ORIX Koraibashi Building

(1) Appraisal

Appraisal Value	JPY 5,563,000,000.-
Appraisal Date	January 31, 2005
Appraiser	Chuo Real Estate Appraisal Co., Ltd.

(2) Valuations by method

i. Cost Method.....	JPY3,358,000,000.-
ii. Income Method	
· DCF value	JPY5,563,000,000.-
Discount Rate.....	5.2%
Terminal Capitalization Rate	6.0%
· DC Value	JPY5,930,000,000.-
Capitalization Rate.....	5.5%

(3) Income projection

<i>Unit : Million</i>	<i>Year 1</i>	<i>Year2</i>
[Income]		
Rental Income	397	399
Vacancy Loss	-10	-14
Income (a)	387	384
[Expense]		
Repair and Maintenance	40	35
Utilities	4	4
Taxes	29	29
Other Costs	2	3
Expense (b)	77	72
NOI (c=a-b)	310	311

(Note)

Above projection is quoted from the first and the second year income projection used in Discount Cash Flow Method of the appraisal. Therefore, it doesn't represent any of OJR's projection.

According to the Engineering Report, maintenance cost for 12 years from now will be ¥90,360 thousand.

ORE Nagoya Fushimi Building

(1) Appraisal

Appraisal Value JPY 10,040,000,000.-
 Appraisal Date February 1, 2005
 Appraiser Chuo Real Estate Appraisal Co., Ltd.

(4) Valuations by method

i. Cost Method..... JPY5,778,000,000.-
 ii. Income Method
 · DCF value JPY10,040,000,000.-
 Discount Rate..... 5.3%
 Terminal Capitalization Rate 6.1%
 · DC Value JPY10,560,000,000.-
 Capitalization Rate..... 5.6%

(5) Income projection

<i>Unit : Million</i>	<i>Year 1</i>	<i>Year2</i>
[Income]		
Rental Income	802	802
Vacancy Loss	- 9	-21
Income (a)	793	781
[Expense]		
Repair and Maintenance	84	84
Utilities	55	54
Taxes	52	52
Other Costs	3	4
Expense (b)	195	195
NOI (c=a-b)	597	586

(Note)

Above projection is quoted from the first and the second year income projection used in Discount Cash Flow Method of the appraisal. Therefore, it doesn't represent any of OJR's projection.

According to the Engineering Report, maintenance cost for 12 years from now will be ¥162,920 thousand.

III. Portfolio summary after acquisition of the two properties

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1. 2001	2,087	1.1	
		Aoyama Suncrest Building	December 1. 2001	3,356	1.8	
		Ascend Kanda	December 1. 2001	670	0.4	
		Nikko Ichi-bancho Building	December 1. 2001	3,900	2.1	
		VX Kayabacho Building	December 1. 2001	880	0.5	
		Beside Shirogane	December 21. 2001	1,300	0.7	
		Round-Cross Aoyama	December 21. 2001	4,529	2.4	
		Shiba East Building	December 21. 2001	707	0.4	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.9	
		Nihonbashi East Building	December 21. 2001	1,720	0.9	
		Landic Minami Azabu Building	December 21. 2001	1,394	0.7	
		Landic Akasaka Building	January 10. 2002	11,580	6.2	
		Landic Akasaka Building 2	January 10. 2002	2,624	1.4	
		Landic Akasaka Building 3	January 10. 2002	697	0.4	
		Landic Mita Building 2	January 10. 2002	1,748	0.9	
		Shiba Daimon Building	January 10. 2002	2,195	1.2	
		Landic Nagai Building	January 10. 2002	3,378	1.8	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	2.2	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	4.0	
		Aoyama 246 Building	March 3. 2004	5,200	2.8	
		Subtotal		61,293	32.9	
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.9
			Center Machiya	December 1. 2001	610	0.3
			Toyo MK Building	December 1. 2001	5,270	2.8
			Nikko Moto Yoyogi Building	December 1. 2001	5,091	2.7
			Round-Cross Nishi Shinjyuku	December 1. 2001	2,650	1.4
			Beside Kiba	December 21. 2001	2,450	1.3
			Waseda Ekimae Building	December 21. 2001	1,628	0.9
			DT Gaien	December 21. 2001	2,430	1.3
			Yoyogi Forest Building	December 21. 2001	1,473	0.8
			Sunny Building	September 30. 2002	5,300	2.8
			ORIX Ikebukuro Building	April 18. 2003	9,577	5.1
			ORIX Shinjuku Building	September 29. 2003	8,300	4.5
			Round-Cross Shinjuku	Late April, 2006	8,020	4.3
			Subtotal		58,278	31.3
		Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.2
			Excellent Kawasaki Building	April 27. 2004	4,130	2.2
			Subtotal		6,330	3.4
		Other Cities	OX Basho no Tsuji Building	December 1. 2001	882	0.5
			OX Otsu Building	December 1. 2001	181	0.1
			Nagoya Itochu Building	September 29. 2003	4,500	2.4
			The SHOHO 3rd Building	March 1. 2005	13,600	7.3
			ORIX Koraihashi Building	April 27. 2005	5,560	3.0
			ORE Nagoya Fushimi Building	May 30. 2005	10,040	5.4
		Subtotal		34,763	18.7	
		Office Total		160,665	86.3	
	Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.4
Subtotal				2,548	1.4	
Other Tokyo Wards		OX Kameido Building	December 1. 2001	438	0.2	
		CUBE Daikanyama	March 31. 2004	2,435	1.3	
		Subtotal		2,873	1.5	
Other Cities		OX Mito Building	December 1. 2001	498	0.3	
		OX Gifu Building	December 1. 2001	528	0.3	
	Subtotal		1,026	0.6		
	Retail Total		6,447	3.5		
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.7	
		Subtotal		1,219	0.7	
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.3	
		Subtotal		2,832	1.5	
	Residential Total		4,051	2.2		
Others	Greater Tokyo	Cross Gate	January 10. 2002	15,040	8.1	
		Subtotal		15,040	8.1	
		Others Total		15,040	8.1	
	Grand Total		186,203	100.0		

Newly acquire Building

IV. Portfolio summary before acquisition

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1. 2001	2,087	1.2	
		Aoyama Suncrest Building	December 1. 2001	3,356	2.0	
		Ascend Kanda	December 1. 2001	670	0.4	
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		VX Kayabacho Building	December 1. 2001	880	0.5	
		Beside Shirogane	December 21. 2001	1,300	0.8	
		Round-Cross Aoyama	December 21. 2001	4,529	2.7	
		Shiba East Building	December 21. 2001	707	0.4	
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		ORIX Shiba 2-chome Building	September 29. 2003	7,500	4.4	
		Aoyama 246 Building	March 3. 2004	5,200	3.0	
	Subtotal		61,293	35.9		
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		Center Machiya	December 1. 2001	610	0.4	
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		Nikko Moto Yoyogi Building	December 1. 2001	5,091	3.0	
		Round-Cross Nishi Shinjuku	December 1. 2001	2,650	1.6	
		Beside Kiba	December 21. 2001	2,450	1.4	
		Waseda Ekimae Building	December 21. 2001	1,628	1.0	
		DT Gaien	December 21. 2001	2,430	1.4	
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		Subtotal		58,278	34.2	
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			Excellent Kawasaki Building	April 27. 2004	4,130	2.4
	Subtotal			6,330	3.7	
	Other Cities	OX Basho no Tsuji Building	December 1. 2001	882	0.5	
		OX Otsu Building	December 1. 2001	181	0.1	
		Nagoya Itochu Building	September 29. 2003	4,500	2.6	
		The SHOHO 3rd Building	March 1. 2005	13,600	8.0	
		Subtotal		19,163	11.2	
	Office Total		145,065	85.0		
	Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.5
			Subtotal		2,548	1.5
		Other Tokyo Wards	OX Kameido Building	December 1. 2001	438	0.3
CUBE Daikanyama			March 31. 2004	2,435	1.4	
Subtotal			2,873	1.7		
Other Cities		OX Mito Building	December 1. 2001	498	0.3	
		OX Gifu Building	December 1. 2001	528	0.3	
Subtotal		1,026	0.6			
Retail Total		6,447	3.8			
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.7	
		Subtotal		1,219	0.7	
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.3	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.4	
	Subtotal		2,832	1.7		
Residential Total		4,051	2.4			
Others	Greater Tokyo	Cross Gate	January 10. 2002	15,040	8.8	
		Subtotal		15,040	8.8	
Others Total		15,040	8.8			
Grand Total		170,603	100.0			