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**For Immediate Release**

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**ORIX JREIT Announces Acquisition of ORIX Nagoya Nishiki Building**

TOKYO, September 16, 2008—ORIX JREIT Inc. (“OJR”) announced today that it would acquire the ORIX Nagoya Nishiki Building. The details of the acquisition are outlined below.

**1. Acquisition Summary**

Asset to be acquired	Real estate trust beneficial interest *Upon acquisition of the real estate trust beneficial interest, OJR will terminate the trust agreement relating to the beneficial interest and acquire fee simple ownership.
Property name	ORIX Nagoya Nishiki Building
Acquisition price	¥12,500,000,000 (excluding national and local consumption taxes)
Scheduled acquisition date	September 29, 2008
Current owner and seller	ORIX Real Estate Corporation
Anticipated funding method	Self-financed and loan proceeds
Payment terms	100% on transfer

**2. Purpose of the Acquisition**

Based on the objectives and principles of asset management outlined in its Articles of Incorporation, OJR has decided to acquire the property for the purposes of strengthening its portfolio, and facilitating stable dividend distribution over the medium and long terms. The following points were emphasized when considering the acquisition of the property.

1) Location

The property is located in the Fushimi area, which has traditionally been Nagoya’s leading business district, with its concentration of financial institutions and major corporations. In recent years, large-scale buildings have been completed one after another, primarily along the main street (Odori), and the area can be expected to develop further as a business district with a growing concentration of office buildings.

2) Property

The property is located in the center of the Fushimi area, and the location boasts outstanding transport convenience, being a two-minute walk from Fushimi Station on the Higashiyama Line and the Tsurumai Line, three minutes from Marunouchi Station on the Sakuradori Line and the Tsurumai Line, and also three minutes to Nagoya Station from neighboring Fushimi Station. In addition, the property fronts Fushimi-dori, which runs from north to south through the center of Nagoya, which gives it a high profile. Moreover, it is a new property with construction completed in January 2007. It boasts a high level of earthquake-proof construction, as well as advanced specifications including individually controlled air conditioning, OA floors, and a 24-hour security system. Each standard pillar-free floor features easy to use rectangular rooms and approximately 200 *tsubo* of leased area, making the property competitive even in the Fushimi area, which is popular as a business district.

### 3. Summary of Property for Acquisitions

Building Name	ORIX Nagoya Nishiki Building
Specified asset category	Property trust beneficial interest*
Trustee	Mitsubishi UFJ Trust and Banking Corporation*
Term of trust agreement	October 28, 2004 – October 31, 2009*
Postal address	5-13, Nishiki 1-chome, Naka-ku, Nagoya-city, Aichi
Registered usage	Office, Car park
Registered area	Land: 1,774.87 m <sup>2</sup> Building: 13,978.93 m <sup>2</sup> (total floor area, includes 119.31m <sup>2</sup> car park annex)
Registered construction	Steel-framed with flat roof, 16 floors Car park annex: Steel-framed with galvanized steel plate roof
Registered completion date	January 22, 2007
Type of ownership	Fee simple Ownership
Previous owner	ORIX Real Estate Corporation
Acquisition price	¥12,500,000,000 (excluding national and local consumption taxes)
Appraised value	¥12,500,000,000
Appraisal date	August 31, 2008
Appraiser	Japan Real Estate Institute
Scheduled acquisition date	September 29, 2008
Public transit access	About 2 minutes' walk from Fushimi Station on Nagoya Municipal Subway, About 3 minutes' walk from Marunouchi Station on Nagoya Municipal Subway
Usage restrictions	Commercial district, fire zone, Building to land ratio 100% and floor to area ratio 792%, etc.
Architects	Institute of New Architecture Inc.
Structural engineers	Institute of New Architecture Inc.
General contractors	TAISEI CORPORATION
Building inspection agency	JAPAN ERI CO., LTD.
Main facilities and specifications	[Leased area (Standard floor area)] Approx. 665 m <sup>2</sup> (roughly 201 tsubo) [Ceiling height] Standard floor area: 2,800 mm, Raised floors for computer wiring [Elevator] 4, Load 1,350kg [Parking] 66 car parking spaces [Others] Individually controlled air conditioning, 24-hour security system
Earthquake resistance	PML 4% (Based on SHIMIZU CORPORATION report)  PML shows the estimated cost of recovering the building in the event of an earthquake. The figure is based on the probability of an earthquake that may occur every 475 years, and shows the percentage of the construction costs to the replacement value. This seismic risk analysis was done by Shimizu Corporation.
Collateral	None
Special notes	None
No. of tenants	10 (excluding car parking spaces, as of September 16, 2008)
Projected annual gross revenue	¥ 744 million The projection is quoted from the first year income projection using the discount cash flow method in the Appraisal Report, and does not represent any projections by OJR or ORIX Asset Management Corporation.
Security deposits	¥ 532 million (excluding car parking spaces, as of September 16, 2008)
Total rent space	10,261.84 m <sup>2</sup> (as of September 16, 2008)
Total rentable space	10,261.84 m <sup>2</sup> (as of September 16, 2008)
Occupancy rate	100.0% (as of September 16, 2008)

\* Upon acquisition of the real estate trust beneficial interest, OJR will terminate the trust agreement relating to the beneficial interest on the same date, acquiring fee simple ownership.

#### **4. Current owner / Seller**

\*As of September 11, 2008

Company Name	ORIX Real Estate Corporation
Address	4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo
Representative	Hiroaki Nishina
Shareholders' Equity	¥ 200 million
Shareholder	ORIX Corporation (100%)
Operations	Development of condominiums, detached houses, and office buildings. Subleasing and management of condominiums, shops, and offices.
Relationships	Both ORIX Real Estate Corporation and ORIX Asset Management Corporation are subsidiaries of ORIX Corporation. Their relationships thus correspond to that of a "related party" stipulated in Japan's Law Concerning Investment Trusts and Investment Corporations.

#### **5. Information regarding ownership**

Building name (Address)	ORIX Nagoya Nishiki Building (5-13, Nishiki 1-chome, Naka-ku, Nagoya-city, Aichi)
Previous ownership status	
Owner/company name	ORIX Real Estate Corporation
Special relationships involved	Wholly owned subsidiary of the parent company of the asset management company
Background to and reason for acquisition	New development (Construction completed in January 2007)
Acquisition price	-
Acquisition date	-

#### **6. Intermediary**

None

#### **7. Payment**

Anticipated funding method: Self-financed and loan proceeds

Payment terms: 100% on transfer

#### **8. Schedule**

September 16, 2008: Decision made to acquire the property

September 16, 2008 (tentative): Execution of sale and purchase contract for the property

September 29, 2008 (tentative): Transfer of the property

#### **9. Future Outlook**

The effect of this acquisition and the disposal of Round-Cross Shinsaibashi on the earnings forecasts for the period ending February 2009 (September 1, 2008 – February 28, 2009) will be insignificant, and accordingly there are no changes to the earnings forecasts for that period. Please refer to the news release "ORIX JREIT Announces Disposal of Round-Cross Shinsaibashi," dated today for the summary of the disposal.

#### Addendums

- I. Property photo and map
- II. Appraisal summary
- III. Portfolio summary after acquisition of property and disposal of Round-Cross Shinsaibashi

The original Japanese version of this material is being distributed today to the Kabuto Club, the Ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.

I. Property photo and map



## II. Appraisal summary

### 1. Appraisal

- 1) Appraised Value           ¥ 12,500,000,000-
- 2) Appraisal Date           August 31, 2008
- 3) Appraiser                 Japan Real Estate Institute

### 2. Valuations by method

- 1) Cost Method.....       ¥ 11,400,000,000-
- 2) Income Method
  - i. DCF value .....       ¥ 12,300,000,000-  
Discount Rate.....       4.3%  
Terminal Capitalization Rate .....       4.7%
  - ii. DC Value.....       ¥ 12,600,000,000-  
Capitalization Rate.....       4.5%

### 3. Income projection

The following projection is quoted from the income projection using the direct capitalization method in the Appraisal Report, and does not represent any projections by OJR or ORIX Asset Management Corporation.

(In millions of yen)

(1) Gross revenue (a-b)	735
a. Effective gross revenue	760
b. Vacancy loss	24
(2) Total costs (c+d+e+f)	166
c. Management /maintenance fee (management fee, utility expenses, PM fees, etc.)	116
d. Taxes	46
e. Casualty insurance premium	1
f. Other costs	1
(3) Net revenue (1-2)	569
(4) Lump sum revenue	10
(5) Capital expenditure	12
(6) Net income (3+4-5)	567

### 4. Long Term Projected Repairs

According to the Engineering Report by Nishimatsu Construction Co., Ltd. maintenance cost over the next 12 years will be ¥ 123,970 thousand.

### III. Portfolio summary after acquisition of property and disposal of Round-Cross Shinsaibashi

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price (¥ million)			
Offices	3 central Tokyo wards	Aoyama Suncrest Building	December 1. 2001	3,356	1.3	
		Round-Cross Ichi-bancho	December 1. 2001	3,900	1.5	
		Beside Shirogane	December 21. 2001	1,300	0.5	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.6	
		Nihonbashi East Building	December 21. 2001	1,720	0.7	
		Round-Cross Minami Azabu	December 21. 2001	1,394	0.5	
		Round-Cross Akasaka	January 10. 2002	2,624	1.0	
		Round-Cross Mita	January 10. 2002	1,748	0.7	
		Shiba Daimon Building	January 10. 2002	2,195	0.8	
		Round-Cross Tsukiji	January 10. 2002	3,378	1.3	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	1.6	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	2.9	
		Aoyama 246 Building	March 3. 2004	5,200	2.0	
		ORIX Akasaka 2-chome Building	June 26. 2006 December 4. 2006	21,860	8.4	
		Nihonbashi Honcho 1-chome Building	March 28. 2007	10,500	4.0	
		ORIX Suidobashi Building	March 28. 2008	3,000	1.1	
		ORIX Shinagawa Building	June 27. 2008	15,200	5.8	
		<b>Subtotal</b>		<b>90,702</b>	<b>34.7</b>	
		Remaining Tokyo wards	Carrot Tower	December 1. 2001	5,479	2.1
	Toyo MK Building		December 1. 2001	5,270	2.0	
	Round-Cross Moto Yoyogi		December 1. 2001	5,091	1.9	
	Round-Cross Nishi Shinjuku		December 1. 2001	2,650	1.0	
	Beside Kiba		December 21. 2001	2,450	0.9	
	DT Gaien		December 21. 2001	2,430	0.9	
	Yoyogi Forest Building		December 21. 2001	1,473	0.6	
	ORIX Ikebukuro Building		April 18. 2003	9,577	3.7	
	ORIX Shinjuku Building		September 29. 2003	8,300	3.2	
	Round-Cross Shinjuku		April 28. 2006	8,020	3.1	
	Seafort Square Center Building		September 30. 2005 April 28. 2006	18,000	6.9	
	Round-Cross Kamata		March 1. 2006	5,640	2.2	
	Round-Cross Shinjuku 5-chome		April 26. 2007	4,500	1.7	
	KN Jiyugaoka Plaza		May 30. 2007	3,110	1.2	
	ST WORLD Building		March 28. 2008	3,500	1.3	
	<b>Subtotal</b>			<b>85,490</b>	<b>32.7</b>	
	Other parts of the greater Tokyo area	Neo City Mitaka	December 1. 2001	2,200	0.8	
		Round-Cross Kawasaki	April 27. 2004	4,130	1.6	
		<b>Subtotal</b>		<b>6,330</b>	<b>2.4</b>	
	Other areas	Nagoya Itochu Building	September 29. 2003	4,500	1.7	
		ORIX Koraibashi Building	April 27. 2005	5,560	2.1	
		ORE Nagoya Fushimi Building	May 30. 2005	10,040	3.8	
		Lunar Sendai	June 28. 2007	8,500	3.3	
		*ORIX Nagoya Nishiki Building	September 29. 2008	12,500	4.8	
		<b>Subtotal</b>		<b>41,100</b>	<b>15.7</b>	
	<b>Offices Total</b>		<b>223,622</b>	<b>85.6</b>		
	Logistics Facilities	Other parts of the greater Tokyo area	Koshigaya Logistics Center	April 28. 2006	4,000	1.5
			Toda Park Logistics Center	March 28. 2008	9,600	3.7
			<b>Subtotal</b>		<b>13,600</b>	<b>5.2</b>
<b>Logistics Facilities Total</b>		<b>13,600</b>	<b>5.2</b>			
Retail Facilities	3 central Tokyo wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.0	
		<b>Subtotal</b>		<b>2,548</b>	<b>1.0</b>	
	Remaining Tokyo wards	CUBE Daikanyama	March 31. 2004	2,435	0.9	
		<b>Subtotal</b>		<b>2,435</b>	<b>0.9</b>	
<b>Retail Facilities Total</b>		<b>4,983</b>	<b>1.9</b>			
Hotels	Other parts of the greater Tokyo area	Cross Gate	January 10. 2002	15,040	5.8	
		<b>Subtotal</b>		<b>15,040</b>	<b>5.8</b>	
		<b>Hotels Total</b>		<b>15,040</b>	<b>5.8</b>	
Others	3 central Tokyo wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.5	
		<b>Subtotal</b>		<b>1,219</b>	<b>0.5</b>	
	Remaining Tokyo wards	Grand Maison Hakusan	December 1. 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	0.9	
		<b>Subtotal</b>		<b>2,832</b>	<b>1.1</b>	
<b>Others Total</b>		<b>4,051</b>	<b>1.6</b>			
<b>Grand Total</b>		<b>261,296</b>	<b>100.0</b>			

\* Newly acquired building

Notes

1. "Acquisition price" above refers to sale price (fractions rounded down) specified in the sale and purchase contract. Consumption taxes are not included in the price.
2. "Percentage of total acquisition cost" refers to the acquisition price of each property under management as a proportion of total acquisition price.
3. Fractions are rounded to two decimal places for the "Percentage of total acquisition cost". Totals for the "Percentage of total acquisition cost" may not tally as a result of rounding.