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For Immediate Release

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ORIX JREIT Announces Acquisition of ORIX Shinagawa Building

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

1. Acquisition Summary

Asset to be acquired	Property
Property name	ORIX Shinagawa Building
Acquisition price	¥15,200,000,000 (excluding national and local consumption taxes)
Scheduled acquisition date	June 27, 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 the company’s Tokyo metropolitan area 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

This property is located in the Shinagawa Station east exit area, which has seen large-scale redevelopment in recent years. In addition, the Tokaido Shinkansen (bullet train line) opened its own station in Shinagawa in October 2003. The area has taken a leap forward in its concentration of large, multiuse buildings. In addition to local transport such as the JR Line and the Keihin Kyuko Line (Keikyu Railway Line), the area offers easy access to the Shinkansen (bullet train line), Haneda Airport, and other long-distance transportation. The area offers strong name recognition and a rising image, and is highly regarded as the location of many office buildings. Further development in the area is anticipated, justifying a forecast of stable, long-term tenant demand.

2) Property

The property is in an excellent location, just a three-minute walk from Shinagawa Station, which services six train lines including the Shinkansen. Completed in June 2006, this building has individually controlled air conditioning, OA floors, a 24-hour security system, and other advanced specifications. It has approximately 630 m² (190 tsubo) of standard floor leased area, and is regarded as competitive even in the Shinagawa area, which is a highly popular office area.

3. Summary of Property for Acquisitions

Building Name	ORIX Shinagawa Building
Postal address	5-3, Konan 2-chome, Minato-ku, Tokyo
Registered usage	Office, Retail, Clinic, Parking
Registered area	Land: 1,253.38 m ² Building: 7,859.00 m ² (total floor area)
Registered construction	Steel-frame, steel-reinforced concrete with flat roof, 9 floors with one underground floor
Registered completion date	June 14, 2006
Type of ownership	Fee simple Ownership
Previous owner	ORIX Real Estate Corporation
Acquisition price	¥15,200,000,000 (excluding national and local consumption taxes)
Appraised value	¥15,300,000,000
Appraisal date	June 1, 2008
Appraiser	Japan Real Estate Institute
Scheduled acquisition date	June 27, 2008
Public transit access	About 3 minutes' walk from Shinagawa Station on JR Line
Usage restrictions	Commercial district (Building to land ratio 100%, floor to area ratio 600%) and fire zone, etc.
Architects	KAJIMA CORPORATION
Structural engineers	KAJIMA CORPORATION
General contractors	KAJIMA CORPORATION
Building inspection agency	The Building Center of Japan
Main facilities and specifications	[Leased area (Standard floor area)] Approx. 630 m ² (roughly 190 tsubo) [Ceiling height] Standard floor area: 2,750 mm, Raised floors for computer wiring [Elevator] Three, Load 1,150kg [Parking] 26 car parking spaces [Others] Individually controlled air conditioning, 24/7 security system
Earthquake resistance	PML 11% (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	7 (excluding car parking spaces, as of June 16, 2008)
Projected annual gross revenue	¥ 673 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	¥ 514 million (excluding car parking spaces, as of June 16, 2008)
Total rent space	5,618.88 m ² (as of June 16, 2008)
Total rentable space	5,618.88 m ² (as of June 16, 2008)
Occupancy rate	100.0% (as of June 16, 2008)

4. Current owner / Seller

*As of June 13, 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 Shinagawa Building (5-3, Konan 2-chome, Minato-ku, Tokyo)
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 June 2008)
Acquisition price	-
Acquisition date	-

6. Intermediary

None

7. Payment

Anticipated funding method: Self-financed and loan proceeds

Payment terms: 100% on transfer

8. Schedule

June 16, 2008: Decision made to acquire the property

June 16, 2008 (planned): Execution of sale and purchase contract for the property

June 27, 2008 (planned): Transfer of the property

9. Future Outlook

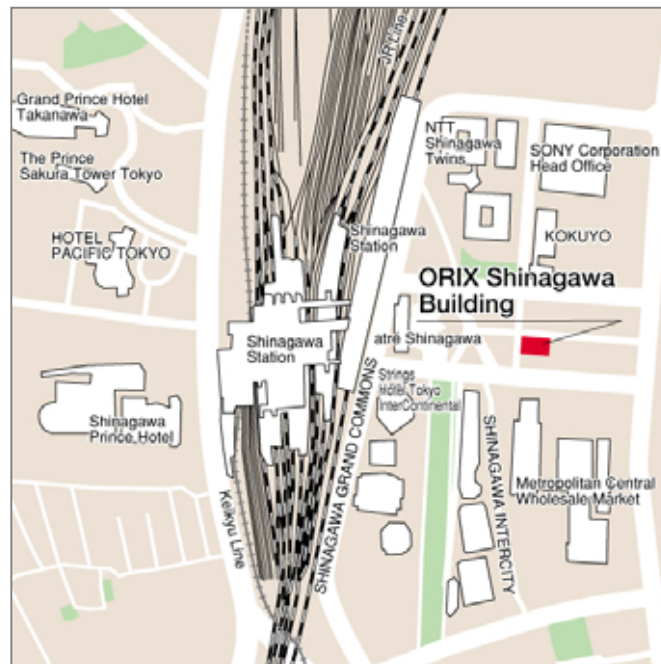
This acquisition will have a negligible effect on earnings for the fiscal period ending August 2008 (March 1, 2008 to August 31, 2008), or the fiscal period ending February 2009 (September 1, 2008 to February 28, 2009). Accordingly, there are no changes to earnings forecasts for those periods.

Addendums

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

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 ¥ 15,300,000,000-
- 2) Appraisal Date June 1, 2008
- 3) Appraiser Japan Real Estate Institute

2. Valuations by method

- 1) Cost Method..... ¥ 13,500,000,000-
- 2) Income Method
 - i. DCF value ¥ 15,100,000,000-
Discount Rate..... 3.7%
Terminal Capitalization Rate 4.1%
 - ii. DC Value..... ¥ 15,400,000,000-
Capitalization Rate..... 4.0%

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)	730
a. Effective gross revenue	758
b. Vacancy loss	28
(2) Total costs (c+d+e+f)	122
c. Management /maintenance fee (management fee, utility expenses, PM fees, etc.)	84
d. Taxes	35
e. Casualty insurance premium	1
f. Other costs	1
(3) Net revenue (1-2)	607
(4) Lump sum revenue	12
(5) Capital expenditure	5
(6) Net income (3+4-5)	614

4. Long Term Projected Repairs

According to the Engineering Report by NIPPON KANZAI Co., Ltd. maintenance cost over the next 12 years will be ¥ 22,520 thousand.

III. Portfolio summary after acquisition of property

* Newly acquired building

	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	8.3
		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
		Subtotal		90,702	34.6
	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	3.6
		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	2.1
		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
		Subtotal		85,490	32.6
	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
		Subtotal		6,330	2.4
	Other areas	Nagoya Itochu Building	September 29. 2003	4,500	1.7
		Round-Cross Shinsaibashi	March 1. 2005	13,600	5.2
		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	3.2
Subtotal			42,200	16.1	
Offices Total		224,722	85.6		
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
		Subtotal		13,600	5.2
Logistics Facilities Total		13,600	5.2		
Retail Facilities	3 central Tokyo wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.0
		Subtotal		2,548	1.0
	Remaining Tokyo wards	CUBE Daikanyama	March 31. 2004	2,435	0.9
		Subtotal		2,435	0.9
Retail Facilities Total		4,983	1.9		
Hotels	Other parts of the greater Tokyo area	Cross Gate	January 10. 2002	15,040	5.7
		Subtotal		15,040	5.7
		Hotels Total		15,040	5.7
Others	3 central Tokyo wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.5
		Subtotal		1,219	0.5
	Remaining Tokyo wards	Grand Maison Hakusan	December 1. 2001	455	0.2
		Sonet Kami Ikebukuro	December 1. 2001	2,377	0.9
		Subtotal		2,832	1.1
Others Total		4,051	1.5		
Grand Total		262,396	100.0		

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.