

< For Immediate Release >

September 13, 2004

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### **ORIX JREIT Inc. announces a new borrowing and repayment of existing loans**

Tokyo, Japan, September 13, 2004 - ORIX JREIT Inc. ("OJR") announced today that its Board of Directors has approved a new 5 year-term fixed rate borrowing for JPY15.0 billion as well as repayment of existing floating rate loans for JPY 16.65 billion. Through these funding and repayments, OJR intends to 1) increase portion of fixed interest borrowing, 2) secure the first unsecured borrowing, 3) decrease spread of loan interest, 4) diversify lenders, and 5) obtain longer term of borrowing.

#### **1. Debt Repayment**

As for repayment 1 through 4, all of existing loans will be repaid in full. While, partial repayment will be done for repayment 5.

#### **Repayment 1 Summary**

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1. Lenders	The Sumitomo Trust & Banking, The Mitsubishi Trust & Banking.
2. Borrowing amount	JPY2.6 billion
3. Applicable Interest rate	1.08%
4. Loan terms	Secured, non-guaranteed, floating rate
5. Draw down date	October 31, 2003
6. Principal payment	Bullet payment at maturity
7. Maturity	September 21, 2004
8. Repayment date	September 21, 2004

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#### **Repayment 2 Summary**

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1. Lenders	The Sumitomo Trust & Banking, The Mitsubishi Trust & Banking, The Chiba Bank The Norinchukin Bank, The Hachijuni Bank
2. Borrowing amount	JPY5.4 billion
3. Applicable Interest rate	1.08%
4. Loan terms	Secured, non-guaranteed, floating rate
5. Draw down date	March 3, 2004
6. Principal payment	Bullet payment at maturity
7. Maturity	December 20, 2004
8. Repayment date	September 21, 2004

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Note: No penalty is required by the early termination of Repayment 2.

**Repayment 3 Summary**

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1. Lenders	The Sumitomo Trust & Banking, The Mitsubishi Trust & Banking.
2. Borrowing amount	JPY2.5 billion
3. Applicable Interest rate	1.08%
4. Loan terms	Secured, non-guaranteed, floating rate
5. Draw down date	March 31, 2004
6. Principal payment	Bullet payment at maturity
7. Maturity	March 22, 2005
8. Repayment date	September 21, 2004

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Note: No penalty is required by the early termination of Repayment 3.

**Repayment 4 Summary**

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1. Lenders	The Sumitomo Trust & Banking, The Mitsubishi Trust & Banking.
2. Borrowing amount	JPY4.4 billion
3. Applicable Interest rate	1.08%
4. Loan terms	Secured, non-guaranteed, floating rate
5. Draw down date	April 27, 2004
6. Principal payment	Bullet payment at maturity
7. Maturity	March 22, 2005
8. Repayment date	September 21, 2004

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Note: No penalty is required by the early termination of Repayment 4.

**Repayment 5 Summary (a part of Term loan 1)**

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1. Lenders	The Sumitomo Trust & Banking, The Mitsubishi Trust & Banking, The Chuo Mitsui Trust and Banking, The Chiba Bank, The Hachijuni Bank, The Norinchukin Bank, Tokio Marine & Fire Insurance, The Mitsui Sumitomo Insurance, SOMPO JAPAN INSURANCE
2. Borrowing amount	JPY15.75 billion
3. Applicable Interest rate	0.7%
4. Loan terms	Secured, non-guaranteed, floating rate
5. Draw down date	March 20, 2002
6. Principal payment	Bullet payment at maturity
7. Maturity	March 20, 2007
8. Repayment date	September 21, 2004
9. Repayment amount	JPY 1.75 billion

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Note: No penalty is required by the early termination of Repayment 5.

## 2. New Borrowing (Debt Finance)

### Summary

1. Lenders	The Sumitomo Trust & Banking, The Bank of Fukuoka, ZENKYOREN NATIONAL MUTUAL INSURANCE FEDERATION OF AGRICULTURAL COOPERATIVES, The Shinkumi Federation Bank, The Hyakugo Bank, THE DAI-ICHI MUTUAL LIFE INSURANCE, THE TOHO BANK, Aioi Insurance, NIPPONKOA Insurance
2. Borrowing amount	JPY15 billion
3. Applicable Interest Rate	To be determined
4. Loan terms	Un-secured, non-guaranteed, <b>fixed rate</b>
5. Draw down date	September 17, 2004
6. Principal payment	Bullet payment at maturity
7. Maturity	September 24, 2009
8. Use of proceeds	Repayment of debt

The following table summarises the change in LTV from the above debt repayment and new debt finance.

	Before	After	Change
Short-term debt	14,900	-	14,900
Long-term debt	58,550	71,800	13,250
Total interesting-bearing liability	73,450	71,800	1,650
Interest-bearing debt ratio	46%	46%	1

Notes:

The amounts are in JPY million, except the Interest-bearing debt ratio.

Interest-bearing debt ratio is calculated by dividing the interest-bearing debt with the sum of interest bearing-debt and total equity. Individual numbers are rounded off to one % place.

\* 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.