

<For Immediate Release>

December 28, 2004

ORIX JREIT Inc. (TSE: 8954)
Hiroshi Ichikawa
Executive Director

For any queries, please contact...

ORIX Asset Management Corporation
Hirohisa Saito
Executive Director
Tel: +81 3 3435 3443

ORIX JREIT Inc. announces acquisition of The SHOHO 3rd Building

Tokyo, Japan, December 28, 2004 - ORIX JREIT Inc. ("OJR") announced today that it decided to purchase **The SHOHO 3rd Building** (Property).

1. Acquisition summary

Interest to be acquired	Fee simple interest in land and building
Property name	The SHOHO 3rd Building
Acquisition price	¥ 13,600,000,000- (excluding consumption tax)
Expected acquisition date	March 1, 2005
Current owner / Seller	SHOHO LAND AND BUILDING CO., LTD (SHOHO) and Mr. Takaaki Manno, president of SHOHO
Anticipated funding method	Cash on hand and/or loan proceeds

2. Purpose of the acquisition

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

1) Location

- Decrease trend of office demand in Osaka city has been moderated since the latter half of 2003 in line with Japanese economy beginning to show a sign of recovery. More specifically, supply of new buildings creates net absorption and office space expansion by existing tenants' office buildings are observed in Osaka.
- Property is located at southern part of Chuo-ku, Osaka city which is commonly called Minami with sub-district of Shinsaibashi and Namba. Minami is the second largest office district in Osaka next to 'Kita' district whose center is Umeda area. Minami is characterized by strong space demand from tenants who attract retail customers.
- Minami is one of the most prime commercial areas in Osaka as well. More specifically, Minami has major shopping concentrations such as Shinsaibashi shopping mall, subterranean shopping mall along Nagahori-dori Street, department stores along Midouji Street and so-called American Village, a well-known shopping area for younger people. In addition, high quality

ORIX JREIT Inc.

ORIX Asset Management Corporation

fashion district is being formed by major international fashion brands that open their new flag shops near intersection of Midosuji Street and Nagahori-dori Street. Also SOGO department store will renew its Shinsaibashi store in autumn 2005 and a big shopping mall named Namba parks started its operation in Namba in October 2003. Thus, concentrations of Minami's retail facilities have been substantially accelerated recently.

2) Property

- Property is located at 5 minutes walk from Shinsaibashi station of Osaka municipal subway Midosuji line.
- Property was built in 1986 with standard floor area of 361.8 tsubo, which is substantially larger than standard size of office properties in the surrounding area.
- Major use of Property is office with certain portion of retail and restaurant use. Thirteenth and fourteenth floor used to be a museum of Chinese arts, but have been vacant since February 2004.
- With these factors as well as high visibility of Property from Midosuji Street, OJR believes Property has strong competitiveness in Shinsaibashi area. OJR, therefore, expects to lease vacant thirteenth and fourteenth floor to commercial tenants, that will add value to Property.

Upon acquisition of Property, ratio of Tokyo Met. of OJR's portfolio based on acquisition price will come down to 88% temporarily. OJR judges it does not substantially miss the rough ceiling of 90% as per OJR's investment policy since the difference of around two percent is not substantial and the ceiling itself is very basic idea to avoid major deviation that won't happen this time.

Also, 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.

3. Property summary

3-1. Outline

Building Name	The SHOHO 3 rd Building
Address	2-2-3 Nishi-Shinsaibashi, Chuo-ku, Osaka city, Osaka Prefecture
Usage	Office, Retail, Parking
Space	Land 2,306.90 m ² Building 23,483.28 m ² (Total floor area)
Structure	Steel-flame, steel frame reinforced concrete, reinforced-concrete, 14 stories above ground with 2 basement floors (total 16 floors)
Completion	April, 1986
Type of Ownership	Fee simple ownership
Appraisal Value	¥12,900,000,000- (appraised as of November 30, 2004) by Morii Appraisal & Investment Consulting, Inc.
Anticipated Acquisition Date	March 1, 2005

3-2. Tenant Information

Number of Tenants	14
Total Leased Space	13,949.14 m ²
Total Rentable Space	16,407.42 m ²
Occupancy Rate	85.0% (as of November 30, 2004)

4. Current owner / Seller

(1) Seller 1

Name	SHOHO LAND AND BUILDING CO., LTD (SHOHO)
Address	2-2-3 Nishi-Shinsaibashi, Chuo-ku, Osaka city, Osaka Prefecture
Representative	Mr. Takaaki Manno
Paid-in capital	¥ 212,475,000 -
Operations	Real estate leasing, coffee shop management
Relationship to OJR	None

(2) Seller 2

Name	Mr. Takaaki Manno, President of SHOHO
Relationship to OJR	None

Note:

Mr. Manno owns 687.65 m² of land that is 29.81% of total land area of 2,306.90 m² of Property. The rest of 70.19% land area of 1,619.25 m² and the whole building is owned by SHOHO.

5. Schedule

December 28, 2004	Execution of sale and purchase contract for Property
March 1, 2005	Delivery of Property

6. Sixth fiscal period forecast

OJR will disclose the seventh fiscal period financial forecast (March 1 - August 31, 2005) including Property in mid-April 2005 together with the sixth fiscal period results.

7. Addendum

- 7-1. Property photo
- 7-2. Appraisal summary
- 7-3. Portfolio summary

* 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.

7-1. Property photo



7-2.Appraisal summary

- (1) Appraisal
 Appraisal Value ¥ 12,900,000,000-
 Appraisal Date November 30, 2004
 Appraiser Morii Appraisal & Investment Consulting, Inc.

(2) Valuations by method

- i. Cost Method..... ¥ 12,110,000,000-
 ii. Direct Capitalization Method ¥ 12,900,000,000-
 · DCF value ¥ 12,900,000,000-
 Discount Rate..... 5.9%
 Terminal Capitalization Rate 6.3%
 · DC Value ¥ 12,700,000,000-
 Capitalization Rate..... 6.1%

(3) Income projection

(Unit: ¥ thousand)

	The 1 st year	The 2 nd year
Rental Revenue	945,234	961,795
Other Revenue	141,572	148,687
Vacancy Loss	-162,149	-38,197
(A) Gross Revenue	924,657	1,072,285
Management Fee	89,337	89,337
PM Fee	16,644	19,337
AM Fee	2,482	2,917
Taxes	80,871	80,871
Insurance Premium	2,500	2,500
Leasing Fee	12,196	3,635
Utilities and others	84,259	88,415
(B) Total Cost	288,289	287,012
(C) NOI (Net Operating Income) (C)=(A)-(B)	636,368	785,273

(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 by NIKKEN SEKKEI Ltd., maintenance cost for 12 years from now will be ¥1,330,000 thousand.

7-3.Portfolio summary

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1, 2001	2,087	1.3	
		Aoyama Suncrest Building	December 1, 2001	3,356	2.1	
		Ascend Kanda	December 1, 2001	670	0.4	
		Nikko Ichi-bancho Building	December 1, 2001	3,900	2.4	
		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	2.8	
		Shiba East Building	December 21, 2001	707	0.4	
		Round-Cross Akasaka Mitsuke	December 21, 2001	1,650	1.0	
		Nihonbashi East Building	December 21, 2001	1,720	1.1	
		Landic Minami Azabu Building	December 21, 2001	1,394	0.9	
		Landic Akasaka Building	January 10, 2002	11,580	7.1	
		Landic Akasaka Building 2	January 10, 2002	2,624	1.6	
		Landic Akasaka Building 3	January 10, 2002	697	0.4	
		Landic Mita Building 2	January 10, 2002	1,748	1.1	
		Shiba Daimon Building	January 10, 2002	2,195	1.4	
		Landic Nagai Building	January 10, 2002	3,378	2.1	
		ORIX Jimbo-cho Building	September 29, 2003	4,177	2.6	
		ORIX Shiba 2-chome Building	September 29, 2003	7,500	4.6	
		Aoyama 246 Building	March 3, 2004	5,200	3.2	
		Subtotal		61,293	37.7	
		Other Tokyo Wards	Carrot Tower	December 1, 2001	5,479	3.4
			Center Machiya	December 1, 2001	610	0.4
			Toyo MK Building	December 1, 2001	5,270	3.2
			Nikko Moto Yoyogi Building	December 1, 2001	5,091	3.1
			Round-Cross Nishi Shinjyuku	December 1, 2001	2,650	1.6
			Beside Kiba	December 21, 2001	2,450	1.5
			Waseda Ekimae Building	December 21, 2001	1,628	1.0
			DT Gaien	December 21, 2001	2,430	1.5
			Yoyogi Forest Building	December 21, 2001	1,473	0.9
			Sunny Building	September 30, 2002	5,300	3.3
			ORIX Ikebukuro Building	April 18, 2003	9,577	5.9
		ORIX Shinjuku Building	September 29, 2003	8,300	5.1	
		Subtotal		50,258	30.9	
		Greater Tokyo	Neo City Mitaka	December 1, 2001	2,200	1.4
			Excellent Kawasaki Building	April 27, 2004	4,130	2.5
		Subtotal		6,330	3.9	
		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	2.8
			The SHOHO 3rd Building	March 1, 2005	13,600	8.4
		Subtotal		19,163	11.8	
		Office Total		137,045	84.3	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31, 2003	2,548	1.6	
		Subtotal		2,548	1.6	
	Other Tokyo Wards	OX Kameido Building	December 1, 2001	438	0.3	
		CUBE Daikanyama	March 31, 2004	2,435	1.5	
		Subtotal		2,873	1.8	
	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	4.0		
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	1.5	
	Subtotal		2,832	1.7		
	Residential Total		4,051	2.5		
Others	Greater Tokyo	Cross Gate	January 10, 2002	15,040	9.3	
		Subtotal		15,040	9.3	
	Others Total		15,040	9.3		
	Grand Total		162,583	100.0		