

【Translation】

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August 29, 2005

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

ORIX Asset Management Corporation
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Executive Officer

ORIX JREIT announces the acquisition of a property and issuance of additional investment units

Tokyo, Japan, August 29, 2005 – ORIX JREIT Inc. (“OJR”) announced today that it concluded purchase agreement to acquire 50% of the real estate trust beneficial interest in Seafort Square / Center Building for the amount of 9 billion yen. This acquisition is to be funded by the proceeds from the issuance of new investment units / loan proceeds. Remaining 50% of the beneficial interest in the real estate trust of Seafort Square / Center Building will be acquired in April 2006.

1. Acquisition of a new property

Today, OJR concluded purchase agreement for 50% of the beneficial interest in the real estate trust of Seafort Square / Center Building (“Property”) as follows.

1. Acquisition summary

Interest to be acquired	Real estate trust beneficial interest
Property name	Seafort Square / Center Building
Acquisition price	JPY18,000,000,000. (excluding consumption tax)
Estimated acquisition date	September 30, 2005 (50% of the beneficial interest in the real estate trust) April 28, 2006 (remaining 50% of the beneficial interest in the real estate trust)
Current owner / Seller	ORIX Corporation (ORIX)
Anticipated funding method	The proceeds from the issuance of new investment units / loan proceeds

2. Purpose of the acquisition

OJR has decided to acquire Property to further enhance its portfolio quality. OJR particularly appreciates Property’s following strong points among others.

Property is located in the Seafort Square composed of a hotel, a theatre, three office buildings, condominium and commercial facilities in a 22,000 m² wide land parcel. “Tennozu Isle” is the name of the area where Property is located.

OJR will acquire commercial facilities, parking lots as well as the central office building among three high-rise office buildings. Since Property is connected directly to Tennozu Isle station of Tokyo Monorail, Property’s tenants and customers can enjoy easy access. Tennozu Isle has stations for Tokyo Monorail and Tokyo Waterfront Area Rapid Transit Rinkai Line. The former line allows

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an 18-minute direct access to Haneda International Airport and the latter one shares tracks with JR Saikyo line, with convenient access to major Tokyo cities such as Shibuya, Shinjuku and Ikebukuro district.

Since Tennozu area has quite a few high quality buildings with large floor area, there are many Japanese headquarters of not only foreign companies such as Citigroup, NIKE and Hewlett-Packard, but also Japanese blue chip companies such as Japan Airlines Corporation and JTB. Property has around 300 tsubo* of standard office floor area.

From the first to second floor of Property is retail space that is one of the largest commercial facilities in the area with more than 30 retail shops and restaurants. It is expected that the number of visitors to the commercial facilities will increase along with the increase of resident population around Property. Large condominium building with around 2,000 units is under construction in the area and some other new projects are expected.

Along with the development of water front area of Tokyo including Tennozu Isle, OJR expects Property's value to increase.

*3.30578 m² = 1 tsubo

3. Summary of Asset to be acquired

1) Property summary

Property name	Seafort Square / Center Building
Address	3-12 and others, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo
Usage	Office, Retail, Parking lots
Space	Land 4,142,932 / 10,000,000 out of 17,189.24 m ² Building 146,697.51 m ² (Total floor area) OJR's share out of total floor area is as follows. Office 25,731.35 m ² Retail 5,026.33 m ² Parking 77.67664% out of 10,480.55 m ² <u>Attached building</u> 36.10 m ² Total 38,934.71 m ²
Structure	Steel-reinforced concrete, reinforced concrete, steel frame flat roof glass board, steel plate roofing. 30 stories above ground with 2 basement floors.
Completion	June 1,1992
Trustee	The Mitsubishi Trust & Banking Corporation
Current trust beneficiary owner	ORIX Corporation
Appraisal value	JPY 18,000,000,000 (appraised as of August 1, 2005) by Chuo Real Estate Appraisal Co., Ltd.
Access	1 minute walk from Tokyo Monorail "Tennozu Isle" station. 3 minutes walk from Tokyo Waterfront Area Rapid Transit Rinkai Line "Tennozu Isle" station.

2) Tenant information

Number of tenants	40
Total leased space	19,785.49 m ²
Total rentable space	22,194.96 m ²
Occupancy rate	89.1%

Note 1: Tenants do not include those for parking lots.

Note 2: Above tenant information is estimated figure as of September 30, 2005 according to the leasing contracts that have already been concluded as of May 31, 2005.

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4. Current owner / Seller of the beneficial interest

Name	ORIX Corporation
Relation	100% owner of OAM
Head office	2-4-1, Hamamatsu-cho, Minato-ku, Tokyo
Establishment	April 17, 1964
Major Shareholders	Japan Trustee Service Bank, Ltd. The Master Trust Bank of Japan, Ltd., etc.
Businesses	Financial Services including Lease, Installment Loan, and Real Estate Operations, etc.

5. Schedule

August 29, 2005	Execution of purchase and sales contract for trust beneficiary of Property
September 30, 2005	Transfer of 50% of the beneficial interest in the real estate trust
April 28, 2006	Transfer of remaining 50% of the beneficial interest in the real estate trust

2. Related-party transactions

1. Acquisition of a new property

As mentioned above, OJR decided to purchase the beneficial interest in the real estate trust of Seafort Square / Center Building (“Property”) from ORIX, a related party to OAM,

2. Conclusion of an agreement with ORIX, a related party to OAM

In accordance with the purchase agreement to acquire 50% of the real estate trust beneficial interest of Property, OJR will conclude an agreement with ORIX, which is a related party to OAM and will be a joint owner of Property, in order to stipulate necessary rights and obligation between joint owners. OJR and ORIX decided to appoint ORIX as a representative beneficiary owner until when the trust will be terminate or either one of the two joint owner will acquire 100% of the real estate trust beneficial interest of Property.

3. Offering of new units

On August 29, 2005, The Board of Directors of OJR approved to issue 47,500 new investment units to investors in the form of a public offering in Japan (the “Offering”). Proceeds from the issuance will be used to repay existing debts, mainly short-term floating ones and to acquire properties, etc.. This time, no public offer is made in any place other than in Japan.

Concurrently with the Offering, Daiwa securities SMBC Co. Ltd., as principal, is offering 2,500 units of OJR’s issued and outstanding units in Japan (the “Secondary Offering”) in order to provide for over-allotment. In connection with the Secondary Offering, OJR will grant to Daiwa securities SMBC Co. Ltd. an option (Third Party Allotment), exercisable until October 12, 2005, to purchase up to additional 2,500 new units solely to cover over-allotment portion. Following the completion of the Offering and Secondary Offering, total number of units is expected to increase from 175,372 to 225,372 (assuming that the Third Party Allotment is exercised in full), and the Loan-to-value is expected to decline to approximately 37% as of October 12, 2005.

Total number of units offered	: 47,500 newly issued units and 2,500 existing units
Aggregate proceeds from Offering	: JPY35,800,000,000 ⁽¹⁾
Lead underwriters	: Daiwa Securities SMBC Co. Ltd. : Nomura Securities Co. Ltd. : UBS Securities Japan Ltd.

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Closing date : Offering September 16, 2005⁽²⁾
Third Party Allotment October 12, 2005

Notes:

- (1) Aggregate proceed from the Offering is subject to change depending on the pricing of the newly issued units.
- (2) The Offering may close on September 14, 2005 in certain circumstances.

4. Change in financial projections

OJR announced its financial projection on August 29, 2005 and then, its revised financial projections would be announced on October 17, 2005 in the seventh fiscal period financial summary.

[Addendum]

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

Important Notice

In formulating the estimated forecast for the seventh and eighth fiscal period, certain assumptions have been made. We consider that these assumptions were appropriate and reasonable based on the information available to us when we projected. However, our actual results of operations, and therefore the distribution per unit, may differ from our expectations and will be affected by a number of factors, many of which are out of our control, or may not be capable of being foreseen or accurately predicted. For example, our actual distribution amount could be affected by the rental revenues we actually receive from our properties, our operating expenses, interest expense and the ability of our tenants to meet their financial obligations during the relevant period. It may also be affected by economic conditions in Japan and conditions relating to the real estate market in Japan, particularly in Tokyo. These factors and others could also affect the validity of the assumptions that we used in the preparation of our estimated forecast. No assurance can be given by us or by any other party that our estimates will prove accurate.

* OJR is a real estate investment corporation (commonly referred to as a J-REIT) listed on the Tokyo Stock Exchange J-REIT 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 Corp., a wholly owned subsidiary of ORIX Corp. (TSE: 8591), provides the asset management services for OJR.

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[Addendum]

- Property photo, Site map



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. Portfolio summary after acquisition of the Property

	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	1.7
		Nikko Ichi-bancho Building	December 1. 2001	3,900	2.0
		Beside Shirogane	December 21. 2001	1,300	0.7
		Round-Cross Aoyama	December 21. 2001	4,529	2.4
		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	6.0
		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	1.1
		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	3.9
		Aoyama 246 Building	March 3. 2004	5,200	2.7
		Subtotal		59,036	30.8
	Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.9
		Toyo MK Building	December 1. 2001	5,270	2.7
		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
		DT Gaien	December 21. 2001	2,430	1.3
		Yoyogi Forest Building	December 21. 2001	1,473	0.8
		ORIX Ikebukuro Building	April 18. 2003	9,577	5.0
		ORIX Shinjuku Building	September 29. 2003	8,300	4.3
		Round-Cross Shinjuku	Late April. 2006	8,020	4.2
		Seafort Square / Center Building	September 30. 2005	9,000	4.7
		April 28. 2006	9,000	4.7	
	Subtotal		68,740	35.8	
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.1
		Excellent Kawasaki Building	April 27. 2004	4,130	2.2
	Subtotal		6,330	3.3	
		Nagoya Itochu Building	September 29. 2003	4,500	2.3
		The SHOHO 3rd Building	March 1. 2005	13,600	7.1
		ORIX Koraibashi Building	April 27. 2005	5,560	2.9
		ORE Nagoya Fushimi Building	May 30. 2005	10,040	5.2
		Subtotal		33,700	17.6
Office Total			167,806	87.5	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.3
		Subtotal		2,548	1.3
		CUBE Daikanyama	March 31. 2004	2,435	1.3
	Subtotal		2,435	1.3	
Retail Total		4,983	2.6		
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.6
		Subtotal		1,219	0.6
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.2
Subtotal		2,832	1.5		
Residential Total		4,051	2.1		
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	7.8
		Subtotal		15,040	7.8
	Hotel Total		15,040	7.8	
Grand Total		191,880	100.0		

Note : Round-Cross Shinjuku will be completed on October 30, 2005 and will be acquired by OJR in late April 2006.

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		ORIX Shiba 2-chome Building	September 29. 2003	7,500	4.3
		Aoyama 246 Building	March 3. 2004	5,200	3.0
		Subtotal			59,036
	Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	3.2
		Toyo MK Building	December 1. 2001	5,270	3.0
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		ORIX Shinjuku Building	September 29. 2003	8,300	4.8
		Round-Cross Shinjuku	Late April. 2006	8,020	4.6
		Subtotal			50,740
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.3
		Excellent Kawasaki Building	April 27. 2004	4,130	2.4
	Subtotal			6,330	3.6
		Nagoya Itochu Building	September 29. 2003	4,500	2.6
		The SHOHO 3rd Building	March 1. 2005	13,600	7.8
		ORIX Koraihashi Building	April 27. 2005	5,560	3.2
		ORE Nagoya Fushimi Building	May 30. 2005	10,040	5.8
		Subtotal			33,700
	Office Total			149,806	86.2
	Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548
Subtotal					2,548
		CUBE Daikanyama	March 31. 2004	2,435	1.4
Subtotal				2,435	1.4
Retail Total			4,983	2.9	
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.7
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		Subtotal			2,832
Residential Total			4,051	2.3	
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	8.6
		Subtotal			15,040
	Hotel Total			15,040	8.6
Grand Total			173,880	100.0	

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