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ORIX JREIT Announces Disposal of a Portfolio Property: Akasaka Kyowa Building

TOKYO, June 8, 2006 — ORIX JREIT Inc. (“OJR”) announced today that it has decided to dispose its portfolio property as follows. The date of the disposal is scheduled for September 1, 2006.

1. Disposal summary

Property name	Akasaka Kyowa Building
Property to be disposed	Property
Acquisition date	December 1, 2001
Disposal price	¥2,500,000 thousand (Excludes adjustments, such as property tax, fixed asset tax, and city planning tax, as well as consumption taxes)
Book value	¥2,084,932 thousand (as of February 28, 2006)
Difference between disposal price and book value	¥ 415,067 thousand
Scheduled contract date	June 8, 2006
Scheduled delivery date	September 1, 2006
Buyer	Arai & Co., Ltd.
Delivery method	Real estate (fee simple ownership)

* Figures are rounded down to the nearest thousand yen.

2. Rationale for the disposal

ORIX JREIT is conducting the disposal based on the goals and principles of asset management set out in its articles of incorporation and taking full account of factors such as impact on overall portfolio composition now and into the future, the effect on distributions, and the efficiency of the management of the portfolio.

3. Summary of property to be disposed

Asset type	Property	
Address	6-14, Akasaka 1-chome, Minato-ku, Tokyo	
Location	3-minute walk from Tokyo Metro Tameike-sanno Station	
Acquisition date	December 1, 2001	
Acquisition price	¥2,087,000 thousand	
Appraisal value	¥2,000,000 thousand (appraised by Tanizawa Sogo Appraisal Co., Ltd., as of February 28, 2006)	
Use	Commercial district	
Land	Site area	901.25 m ²
	Type of ownership	Fee simple ownership (Joint stake 68.86%)
Building	Use	Offices (includes some warehousing and car parking)
	Date of construction	June 1978
	Type of ownership	Compartmentalized ownership
	Other owners	About ten, including individuals and corporations
	Total floor area	6,951.11m ²
	Purparty (%)	3,369.67m ² (68.68% of the total available compartmentalized ownership)
Structure	Steel reinforced concrete, flat roof, 1 basement floors and 8 floors above ground	
Number of tenants	6 (as of June 8, 2006)	
Total leased space	3,382.28 m ² (as of June 8, 2006)	
Total rentable space	3,382.28 m ² (as of June 8, 2006)	
Occupancy rate	100.0% (as of June 8, 2006)	

4. Profile of buyer

(As of June 8, 2006)

Company Name	Arai & Co., Ltd.
Head office address	19-20, Jingumae 6-chome, Shibuya-ku, Tokyo
Representative	Kihachiro Arai
Establish	October, 1966
Shareholders' Equity	¥ 3,000million
Main business lines	Real estate leasing, securitization of real estate, health care-related business, condominium sales
Relationship to OJR	None

5. Transfer schedule

June 8, 2006 : Property sale and purchase agreement concluded
September 1, 2006 : Transfer scheduled

6. Future outlook

OJR will disclose financial forecasts for the period ending February 2007 (Sept. 1, 2006 – February 28, 2007), which will fully reflect the impact of the disposal of this property, as a part of its business results report for the period ending August 2006 (March 1, 2006 – August 31, 2006).

Addendum

- I . Portfolio summary after the disposal
- II . Current portfolio

This document is being distributed today to the following press clubs: Kabuto Club; Land, Infrastructure and Transport Press Club; and Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.

I. Portfolio Summary after the disposal

	Property	Acquisition		Percentage of Total Acquisition Cost
		Date	Price(¥ million)	
Office	Tokyo Central 3 Wards *	Akasaka Kyowa Building	December 1, 2001	—
		Aoyama Suncrest Building	December 1, 2001	3,356
		Nikko Ichi-bancho Building	December 1, 2001	3,900
		Beside Shirogane	December 21, 2001	1,300
		Round-Cross Aoyama	December 21, 2001	4,529
		Round-Cross Akasaka Mitsuke	December 21, 2001	1,650
		Nihonbashi East Building	December 21, 2001	1,720
		Landic Minami Azabu Building	December 21, 2001	1,394
		Landic Akasaka Building 2	January 10, 2002	2,624
		Landic Mita Building 2	January 10, 2002	1,748
		Shiba Daimon Building	January 10, 2002	2,195
		Landic Nagai Building	January 10, 2002	3,378
		ORIX Jimbo-cho Building	September 29, 2003	4,177
		ORIX Shiba 2-chome Building	September 29, 2003	7,500
		Aoyama 246 Building	March 3, 2004	5,200
		ORIX Akasaka 2-chome Building	the 9th period	21,860
		Subtotal		66,531
	Other Tokyo Wards	Carrot Tower	December 1, 2001	5,479
		Toyo MK Building	December 1, 2001	5,270
		Nikko Moto Yoyogi Building	December 1, 2001	5,091
		Round-Cross Nishi Shinjuku	December 1, 2001	2,650
		Beside Kiba	December 21, 2001	2,450
		DT Gaien	December 21, 2001	2,430
		Yoyogi Forest Building	December 21, 2001	1,473
		ORIX Ikebukuro Building	April 18, 2003	9,577
		ORIX Shinjuku Building	September 29, 2003	8,300
		Round-Cross Shinjuku	April 28, 2006	8,020
		Seafort Square Center Building	September 30, 2005	9,000
			April 28, 2006	9,000
		Kamata Green Building	March 1, 2006	5,640
		Round-Cross Shinjuku 5-chome	April 26, 2007	4,500
	Subtotal		78,880	36.9
	Greater Tokyo	Neo City Mitaka	December 1, 2001	2,200
Excellent Kawasaki Building		April 27, 2004	4,130	
Subtotal		6,330	3.0	
	Nagoya Itochu Building	September 29, 2003	4,500	
	The SHOHO 3rd Building	March 1, 2005	13,600	
	ORIX Koraibashi Building	April 27, 2005	5,560	
	ORE Nagoya Fushimi Building	May 30, 2005	10,040	
	Subtotal		33,700	15.8
Office Total		185,441	86.9	
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
	Subtotal		2,435	1.1
Retail Total		4,983	2.3	
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1, 2001	1,219
		Subtotal		1,219
	Other Tokyo Wards	Grand Maison Hakusan	December 1, 2001	455
		Sonet Kami Ikebukuro	December 1, 2001	2,377
		Subtotal		2,832
Residential Total		4,051	1.9	
Hotel	Greater Tokyo	Cross Gate	January 10, 2002	15,040
		Subtotal		15,040
	Hotel Total		15,040	7.0
Others	Greater Tokyo	Koshigaya Logistics Center	April 28, 2006	4,000
		Subtotal		4,000
	Others Total		4,000	1.9
Grand Total		213,515	100.0	

* Property scheduled for disposal in latest release

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. "Acquisition price ratio" 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 "Acquisition price ratio." Totals for the "Acquisition price ratio" may not tally as a result of rounding.

II. Current Portfolio

	Property	Acquisition		Percentage of Total Acquisition Cost	
		Date	Price(¥ million)		
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1. 2001	2,087	1.0
		Aoyama Suncrest Building	December 1. 2001	3,356	1.6
		Nikko Ichi-bancho Building	December 1. 2001	3,900	1.8
		Beside Shirogane	December 21. 2001	1,300	0.6
		Round-Cross Aoyama	December 21. 2001	4,529	2.1
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.8
		Nihonbashi East Building	December 21. 2001	1,720	0.8
		Landic Minami Azabu Building	December 21. 2001	1,394	0.6
		Landic Akasaka Building 2	January 10. 2002	2,624	1.2
		Landic Mita Building 2	January 10. 2002	1,748	0.8
		Shiba Daimon Building	January 10. 2002	2,195	1.0
		Landic Nagai Building	January 10. 2002	3,378	1.6
		ORIX Jimbo-cho Building	September 29. 2003	4,177	1.9
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	3.5
		Aoyama 246 Building	March 3. 2004	5,200	2.4
		ORIX Akasaka 2-chome Building	the 9th period	21,860	10.1
		Subtotal		68,618	31.8
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479
	Toyo MK Building		December 1. 2001	5,270	2.4
	Nikko Moto Yoyogi Building		December 1. 2001	5,091	2.4
	Round-Cross Nishi Shinjuku		December 1. 2001	2,650	1.2
	Beside Kiba		December 21. 2001	2,450	1.1
	DT Gaien		December 21. 2001	2,430	1.1
	Yoyogi Forest Building		December 21. 2001	1,473	0.7
	ORIX Ikebukuro Building		April 18. 2003	9,577	4.4
	ORIX Shinjuku Building		September 29. 2003	8,300	3.8
	Round-Cross Shinjuku		April 28. 2006	8,020	3.7
	Seafort Square Center Building		September 30. 2005	9,000	4.2
			April 28. 2006	9,000	4.2
	Kamata Green Building		March 1. 2006	5,640	2.6
	Round-Cross Shinjuku 5-chome		April 26. 2007	4,500	2.1
	Subtotal		78,880	36.6	
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.0
Excellent Kawasaki Building		April 27. 2004	4,130	1.9	
Subtotal		6,330	2.9		
Greater Tokyo	Nagoya Itochu Building	September 29. 2003	4,500	2.1	
	The SHOHO 3rd Building	March 1. 2005	13,600	6.3	
	ORIX Koraibashi Building	April 27. 2005	5,560	2.6	
	ORE Nagoya Fushimi Building	May 30. 2005	10,040	4.7	
	Subtotal		33,700	15.6	
Office Total		187,528	87.0		
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.2
		Subtotal		2,548	1.2
	Greater Tokyo	CUBE Daikanyama	March 31. 2004	2,435	1.1
		Subtotal		2,435	1.1
Retail Total		4,983	2.3		
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	1.1
		Subtotal		2,832	1.3
Residential Total		4,051	1.9		
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	7.0
		Subtotal		15,040	7.0
	Hotel Total		15,040	7.0	
Others	Greater Tokyo	Koshigaya Logistics Center	April 28. 2006	4,000	1.9
		Subtotal		4,000	1.9
	Others Total		4,000	1.9	
Grand Total		215,602	100.0		

Notes 1. "Acquisition price" above refers to sale price (fractions rounded down) specified in the sale and purchase contract.

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3. Fractions are rounded to two decimal places for the "Acquisition price ratio." Totals for the "Acquisition price ratio" may not tally as a result of rounding.