

[Provisional Translation Only]

This translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between the translation and the Japanese original, the latter shall prevail.

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

Investment Trust Management Company:
ORIX Asset Management Corporation
Mitsuo Sato
Representative Director and President

Inquiries:

Hirofumi Yatsuduka
Corporate Senior Vice President
Tel: +81 3 3435 3285

ORIX Asset Management Corporation Submits Documents to Ministry of Land, Infrastructure and Transport

TOKYO, October 5, 2006—ORIX Asset Management Corporation, which manages the assets of ORIX JREIT Inc. on its behalf, recently submitted to the Ministry of Land, Infrastructure and Transport documents concerning corrective measures it will take to prevent future legal infractions. The documents, which were delivered and received on September 25, 2006, are in response to an official directive issued by the Ministry of Land, Infrastructure and Transport on August 25, 2006 concerning the operations of ORIX Asset Management Corporation.

Recognizing the seriousness of the situation, both ORIX JREIT and ORIX Asset Management have resolved to follow through with the measures submitted to the Ministry of Land, Infrastructure and Transport (detailed in the attached *Summary of Written Response to Official Directives*). Through these measures, the companies will endeavor to appropriately manage their respective business operations to ensure strict legal and regulatory compliance. The companies will also prepare new systems for operational control and strengthen existing controls in a dedicated effort to restore trust among stakeholders.

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.

Summary of Written Response to Official Directives

On August 25, 2006, ORIX Asset Management Corporation received an official directive from the Ministry of Land, Infrastructure and Transport in accordance with Article 65, Paragraph 1 of the Building Lots and Building Transaction Law (hereafter "Building Law"). ORIX Asset Management handles transactions for ORIX JREIT Inc. on its behalf as part of the latter's asset management business. These transactions are handled under Article 50-2 of the Building Law (Law No. 176 of 1952).

Recognizing the seriousness of the situation, ORIX Asset Management resolves to establish a system of internal controls to prevent recurrences of similar legal infractions as well as future inadequacies or improprieties. In response to the directives it has received, ORIX Asset Management will implement the corrective measures outlined in this document, striving to regain trust in its activities as a real estate management company.

Corrective Measures in Response to Official Directives

1. Swift and thorough internal acknowledgement concerning details of the Company's recent regulatory violations and penalties incurred

The president of ORIX Asset Management has taken steps to explain the situation to the Company's employees to ensure that it is thoroughly understood internally. In addition to explaining the facts of the situation and the Company's policies to reorganize its systems for internal controls, the president has warned executives and employees of the need for compliance with the Building Law as well as other relevant laws applying to ORIX JREIT Inc. and the Company.

2. Formulation of concrete measures to prevent future recurrences of similar legal violations

- (1) Clarification of management stance on legal and regulatory compliance

Legal and regulatory compliance is a top management priority. The Company has established internal organizations underscoring the need for legal and regulatory compliance, assigning necessary human resources to these organizations.

- (2) Establishment of systems and structures for legal and regulatory compliance and internal controls

On September 1, 2006, the Company reshuffled its organization and expanded its human resources in order to build a basic system for legal and regulatory compliance.

- (3) Review of administrative procedures

The Company will endeavor to standardize its operational procedures and document its rules, regulations and operations manuals to the best of its ability. These steps will help to clarify internal procedures for request and approval, and assist in clarifying the authority and responsibilities of managers and supervisors.

- (4) Formulation of measures to prevent recurrence

As of September 1, 2006, the Company has adopted manuals and internal guidelines for operations such as property acquisition, verification of rentable floor area and method of requesting appraisals. Through these measures, the Company is endeavoring to ensure strict application of property evaluation and suitable procedures for operations such as requesting of appraisals.

3. Formulation and implementation of plans for internal training and education, in order to ensure strict legal and regulatory compliance

The Company has previously conducted internal workshops focusing on relevant laws affecting asset management and investment firms, also covering laws and regulations such as those concerning real estate transactions. From now on, the Company will hold these workshops once every half.

4. Investigation and examination of routine business operations combined with preparation of new systems for operational control and strengthening of existing controls, in order to secure appropriate business operations

- (1) The Company has investigated and examined all business operations involving acquisition or disposition of properties in the past, in order to verify that these transactions were executed in accordance with the Building Law.

- (2) Paragraphs 2 through 4 in Section 2 above detail the steps the Company is taking to establish new systems for operational control and strengthen its existing controls, as it strives to secure appropriate business operations. These steps include reshuffling the internal organization to establish systems for regulatory compliance, and building systems for internal control to ensure appropriate business operations. It also includes implementation of measures for preventing recurrence through steps such as preparing operations manuals.