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For Immediate Release

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ORIX JREIT Announces Acquisition of Nihonbashi Honcho 1-chome Building

TOKYO, March 13, 2007—ORIX JREIT Inc. (“OJR”) announced today that it will purchase the Nihonbashi Honcho 1-chome Building (hereafter “property”). The details of the acquisition are outlined below.

1. Acquisition Summary

Asset to be acquired:	Property
Property name:	Nihonbashi Honcho 1-chome Building
Acquisition price:	¥10,500,000,000 (excluding national and local consumption taxes)
Scheduled acquisition date:	March 28, 2007
Current owner and seller:	ORIX Real Estate Corporation
Anticipated funding method:	Self-financed and loan proceeds
Payment terms:	100% on transfer

2. Purpose of the Acquisition

Based on the objectives and principles of asset management outlined in its Articles of Incorporation, OJR has decided to acquire the property with a view to expanding its portfolio in the Tokyo Metropolitan area. The acquisition capitalizes on synergies within the ORIX Group to acquire the newly constructed office building, located in central Tokyo, in order to enhance the quality of OJR’s portfolio. In deciding to acquire the property, the following points were considered to be of particular merit.

Location

The target property is located in the Nihonbashi Honcho and Nihonbashi Muromachi business districts, which provide excellent access to public transit. The area is in high demand for the office market, and is the next most popular choice for tenants after the nearby Nihonbashi, Yaesu and Kyobashi districts. The area is anticipated to continue generating stable demand from tenants in the future.

Property

The property is highly accessible from public transit, a four-minute walk from the Tokyo Metro Mitsukoshi-mae Station or a seven-minute walk from the Tokyo Metro Nihombashi Station. It is also accessible from Toei subway Ningyocho Station and JR Shin-nihonbashi Station. The property is a newly constructed office building that was completed in March 2006. It offers modern facilities such as individually controlled air conditioning, raised floors for computer wiring and a 24/7 security system. The property was 100% occupied at the time of writing, and is anticipated to continue generating high occupancy rates in the future.

The standard floor area is approximately 528 m² (roughly 160 tsubo) with a highly usable floor layout and no interior ceiling support pillars. Furthermore, the air conditioning system can be

divided into seven segments for independent control. Taking into account the flexibility of the property to meet diverse needs and the versatility of the property, the building is considered to be highly competitive for the area.

3. Summary of Property for Acquisition

Building name	Nihonbashi Honcho 1-chome Building
Postal address	9-13 Nihonbashi Honcho-1chome, Chuo-ku, Tokyo
Registered usage	Office, retail, parking
Registered area	Land: 825.67 m ² Building: 6,929.65 m ² (total floor area)
Registered construction	Steel and steel-reinforced concrete construction; flat roof; 10 floors with one underground floor
Registered completion date	March 7, 2006
Type of ownership	Fee simple
Previous owner	ORIX Real Estate Corporation
Acquisition price	¥10,500,000,000 (excluding national and local consumption taxes)
Appraised value	¥10,500,000,000
Appraisal date	February 1, 2007
Appraiser	Japan Real Estate Institute
Scheduled acquisition date	March 28, 2007
Public transit access	Four-minute walk from Mitsukoshi-mae Station on Tokyo Metro Hanzomon Line Seven-minute walk from Nihonbashi Station on Tokyo Metro and Toei Subway Lines, other
Usage restrictions	Commercial zoning (80% building-to-land ratio, 800% floor-to-area ratio), other
Parking	24 spaces with an additional two spaces reserved for deliveries
Architects	Plantec Architects Inc.
Structural engineers	Alpha Structural Design Office
General contractors	Joint venture between Kajima Corporation and Sumitomo Mitsui Construction Co., Ltd.
Building inspection agency	Government inspection and Japan ERI Co., Ltd.
Major features and specifications	Individually controlled air conditioning, raised floors for computer wiring, 24/7 security system, other
Floor load	500 kg/ m ² (Raised floors for computer wiring: 300 kg/m ²)
Ceiling height	Standard floor area: 2,750 mm Height of raised floors for computer wiring: 70 mm
Leased area (standard floor area)	Approx. 522 m ² (roughly 158 tsubo)
Earthquake resistance	PML 14% (Based on Shimizu Corporation evaluation report) PML shows the estimated costs to recover buildings in the event of earthquake. The figure is based on the probability of an earthquake that may occur every 475 years, and shows the percentage of the construction costs to the replacement value. This seismic risk analysis was done by Shimizu Corporation.
Collateral	None
Special notes	None

No. of tenants	3
Projected annual rental income (including common service charges)	¥459,000,000 The projection is quoted from the first year income projection using the discount cash flow method in the Appraisal Report, and does not represent any projections by OJR or ORIX Asset Management Corporation.
Total rent space	5,099.70 m ²
Total rentable space	5,099.70 m ²
Occupancy rate	100.0% (as of March 13, 2007)

4. Current owner / Seller

*As of March 9, 2007

Company Name	ORIX Real Estate Corporation
Address	4-1, Hamamatsucho-2chome, Minato-ku, Tokyo
Representative	Hiroaki Nishina
Shareholders' Equity	¥ 200 million
Shareholder	ORIX Corporation (100%)
Operations	Development of condominiums, detached houses, and office buildings. Subleasing and management of condominiums, shops, and offices.
Relationships	Both ORIX Real Estate Corporation and ORIX Asset Management Corporation are subsidiaries of ORIX Corporation. Their relationships thus correspond to that of a Related Party stipulated in the Law Concerning Investment Trusts and Investment Corporations.

5. Information regarding ownership

Building name (Address)	Nihonbashi Honcho 1-chome Building (9-13 Nihonbashi Honcho-1chome, Chuo-ku, Tokyo)
Previous ownership status	
Owner/company name	ORIX Real Estate Corporation
Special relationships involved	Wholly owned subsidiary of the parent company of the asset management company
Background to and reason for acquisition	New development (construction completed in March 2006)
Acquisition price	–
Acquisition date	–

6. Intermediary

N/A

7. Payment

Anticipated funding method: Self-financed and loan proceeds
Payment terms: 100% on transfer

8. Schedule

March 13, 2007 Acquisition of the property was determined
March 13, 2007 Execution of sale and purchase contract for the property
March 28, 2007 (plan) Delivery of the property

9. Future Outlook

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

Addendums

- I. Property photo and map
- II. Appraisal summary
- III. Portfolio summary after acquisition of property
- IV. Current portfolio

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.

I. Property photo and map

Exterior Appearance



Map



II. Appraisal summary

1) Appraisal	
Appraisal Value	¥10,500,000,000-
Appraisal Date	February 1, 2007
Appraiser	Japan Real Estate Institute

2) Valuations by method

i. Cost Method.....	¥ 6,290,000,000-
ii. Income Method	¥10,500,000,000-
· DCF value	¥10,200,000,000-
Discount Rate.....	4.0%
Terminal Capitalization Rate	4.4%
· DC Value	¥10,700,000,000-
Capitalization Rate.....	4.2%

3) Income projection

The following projection is quoted from the first year income projection using the discount cash flow method in the Appraisal Report, and does not represent any projections by OJR or ORIX Asset Management Corporation.

Unit: ¥ million

Rental Revenue	459
Other Revenue	39
Vacancy Loss	(0)
(A) Effective Gross Revenue	498
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Management /Maintenance Fee	50
Taxes	24
Other Costs	1
(B) Total Costs	76
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(C) Effective Net Operating Income	
(C) = (A) - (B)	422
(D-1) Lump Sum	8
(D-2) Capital Expenditure	(6)
(E) Net Income (E) = (C) - (D)	424

Notes: Figures are rounded down to the nearest million yen, so there may be minor discrepancies in totals.

4) Long Term Projected Repairs

According to the Engineering Report by NIKKEN SEKKEI Construction Management, Inc., maintenance cost over the next 12 years will be ¥84,600 thousand.

III. Portfolio summary after acquisition of property

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Aoyama Suncrest Building	December 1. 2001	3,356	1.5	
		Nikko Ichi-bancho Building	December 1. 2001	3,900	1.7	
		Beside Shirogane	December 21. 2001	1,300	0.6	
		Round-Cross Aoyama	December 21. 2001	4,529	2.0	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.7	
		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	1.5	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	1.9	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	3.3	
		Aoyama 246 Building	March 3. 2004	5,200	2.3	
		ORIX Akasaka 2-chome Building	June 26. 2006	8,744	3.9	
			December 4. 2006	13,116	5.9	
			* Nihonbashi Honcho 1-chome Building	March 28. 2007	10,500	4.7
		Subtotal		77,031	34.4	
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.4
			Toyo MK Building	December 1. 2001	5,270	2.4
			Nikko Moto Yoyogi Building	December 1. 2001	5,091	2.3
			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	4.3
			ORIX Shinjuku Building	September 29. 2003	8,300	3.7
			Round-Cross Shinjuku	April 28. 2006	8,020	3.6
			Seafort Square Center Building	September 30. 2005	9,000	4.0
				April 28. 2006	9,000	4.0
			Round-Cross Kamata	March 1. 2006	5,640	2.5
			Round-Cross Shinjuku 5-chome	April 26. 2007	4,500	2.0
		Subtotal		78,880	35.2	
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.0	
		Round-Cross Kawasaki	April 27. 2004	4,130	1.8	
		Subtotal		6,330	2.8	
	Other Cities	Nagoya Itochu Building	September 29. 2003	4,500	2.0	
		Round-Cross Shinsaibashi	March 1. 2005	13,600	6.1	
		ORIX Koraibashi Building	April 27. 2005	5,560	2.5	
		ORE Nagoya Fushimi Building	May 30. 2005	10,040	4.5	
		Subtotal		33,700	15.0	
		Office Total		195,941	87.5	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.1	
		Subtotal		2,548	1.1	
	Other Tokyo Wards	CUBE Daikanyama	March 31. 2004	2,435	1.1	
		Subtotal		2,435	1.1	
		Retail Total		4,983	2.2	
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.5	
		Subtotal		1,219	0.5	
	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	1.8	
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	6.7	
		Subtotal		15,040	6.7	
			Hotel Total		15,040	6.7
Others	Greater Tokyo	Koshigaya Logistics Center	April 28. 2006	4,000	1.8	
		Subtotal		4,000	1.8	
			Others Total		4,000	1.8
		Grand Total		224,015	100.0	

*Newly acquired Building

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.

IV. Current portfolio

	Property	Acquisition		Percentage of Total Acquisition Cost	
		Date	Price(¥ million)		
Office	Tokyo Central 3 Wards	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	0.7
		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	2.0
		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	June 26. 2006	8,744	4.1
	December 4. 2006		13,116	6.1	
	Subtotal			66,531	31.2
	Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.6
		Toyo MK Building	December 1. 2001	5,270	2.5
		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	
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Round-Cross Shinjuku		April 28. 2006	8,020	3.8	
Seafort Square Center Building		September 30. 2005	9,000	4.2	
		April 28. 2006	9,000	4.2	
Round-Cross Kamata		March 1. 2006	5,640	2.6	
Round-Cross Shinjuku 5-chome		April 26. 2007	4,500	2.1	
Subtotal				78,880	36.9
Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.0	
	Round-Cross Kawasaki	April 27. 2004	4,130	1.9	
Subtotal			6,330	3.0	
Other Cities	Nagoya Itochu Building	September 29. 2003	4,500	2.1	
	Round-Cross Shinsaibashi	March 1. 2005	13,600	6.4	
	ORIX Koraibashi Building	April 27. 2005	5,560	2.6	
	ORE Nagoya Fushimi Building	May 30. 2005	10,040	4.7	
Subtotal			33,700	15.8	
Office Total			185,441	86.9	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.2
		Subtotal		2,548	1.2
	Other Tokyo Wards	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			213,515	100.0	

Notes

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