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For Immediate Release

REIT Issuer:

ORIX JREIT Inc. (TSE: 8954)

Yoshio Ono

Executive Director

Investment Trust Management Company:

ORIX Asset Management Corporation

Mitsuo Sato

Representative Director and President

Inquiries:

Hirofumi Yatsuduka

Director, Corporate Senior Vice President

TEL : +81 3 3435 3285

ORIX JREIT Announces Changes in Asset Management Agreement and Other Matters

Tokyo, May 29, 2008 — ORIX JREIT Inc. (OJR) announced today that its Board of Directors has approved changes to its Asset Management Agreement with ORIX Asset Management Corporation (OAM), and to the Related Party Regulations that are an annex to the agreement.

1. Primary changes in the Asset Management Agreement

OJR made the changes required by changes to its Related Party Regulations, which are an annex to the Agreement. Please see below for information on the primary changes in the Related Party Regulations.

2. Primary changes in the Related Party Regulations

- (1) The scope of the “Related Party” in the Related Party Regulations was revised — “related parties of parties of interest in an asset management company” was deleted and “the shareholder in the asset management company and companies in which the said shareholder accounts for a majority of shareholders” was newly added.

The Definition of “Related Party” before the Changes

- (a) Parties of interest in an asset management company (Article 201-1 of this law, Article 123 of this law’s Enforcement Order)
- (b) Related parties of those prescribed in the previous section (Set forth in Article 177-6 of the Cabinet Office Ordinance Regarding the Financial Instruments and Exchange Law [Cabinet Office Ordinance, Financial Instruments Law, Number 52 of 2007]).
- (c) Special purpose companies on whose decision-making the company named in sections (a) and (b) above are deemed to be able to exert a strong effect, by contracting for asset management services, by supplying more than half the executives of the said company, or by other means (Set forth in Article 33-2 of the Cabinet Office Ordinance, Financial Instruments Law).

Note 1. The term “asset management company” refers to OAM, “this law” refers to the Investment Trust and Investment Corporations Law, and “this law’s Enforcement Order” refers to the Investment Trust and Investment Corporations Law Enforcement Order.

Note 2. Changed passages are underlined.

The Definition of “Related Party” after the Changes

- (a) Parties of interest in said company (Article 201-1 of the Investment Trust Law, Article 123 of the Investment Trust Law Enforcement Order)

- (b) Said company's shareholder
- (c) Corporation in which the said company accounts for a majority of shareholders or to which it supplies more than half the executives (applies only in cases in which the said shareholder is the primary shareholder stipulated in Article 29-4-2 of the Financial Instruments Law).
- (d) Special purpose companies on whose decision-making the parties stipulated in (a), (b) and (c) above are deemed to be able to exert a strong effect, by contracting for asset management services, by supplying more than half the executives, or by other means (Set forth in Article 33-2 of the Cabinet Office Ordinance Regarding the Financial Instruments and Exchange Law [Cabinet Office Ordinance, Number 52 of 2007, including subsequent revisions]) based on the Asset Management Agreement or the Discretionary Investment Management Agreement (set forth in Article 2-8-12 of the Financial Instruments Law).

Note 1. The term "said company" refers to OAM, "Investment Trust Law" refers to the Investment Trust and Investment Corporations Law and "Investment Trust Law Enforcement Order" refers to the Investment Trust and Investment Corporations Law Enforcement Order.

Note 2. Changed passages are underlined.

- (2) The scope of the transactions requiring prior approval by the OJR board of directors has been revised in view of degree of importance, items were enumerated definitively and the decision-making method has been changed.

Before change

Scope of transactions

All legal acts with the exception of some excluded transactions

Decision-making method: Decisions made by OJR board of directors

Note 1. Before they were changed, the Related Party Regulations stipulated that transactions, payments and other legal acts (related-party transactions) conducted between OAM and related parties for the purpose of providing asset management services for OJR, with certain exceptions, were required to have the approval of the OJR board of directors.

After change

Scope of transactions 1

- Conclusion, changes or dissolution of contracts related to the acquisition or transfer of real estate assets
- Conclusion of or changes to contracts involving borrowing of funds or the setting of specific loan ceilings or commitment lines
- Establishment of mortgages on real estate assets or change to other conditions
- Acquisition of marketable securities issued by related parties, etc.

Decision-making method: Decisions made by OJR board of directors after approval by OAM board of directors

Scope of transactions 2

- Payment of broker's commissions and agent compensation (earned for mediating in or brokering the acquisition, transfer and leasing of real estate assets) exceeding 1 million yen per transaction
- Conclusion of or changes to leases, property management contracts or building management contracts
- Coverage by accident insurance with annual premiums exceeding 3 million yen per policy for real estate assets
- Orders for construction exceeding 20 million yen per order

Decision-making method: Decisions made by OAM's board of directors and subsequent reporting to OJR board of directors

Note 1. After they were changed, the Related Party Regulations stipulated that the items listed above, part of transactions conducted between OAM and related parties for the purpose of providing asset management services by OAM or as an agent for OJR (excluding transactions benefiting OJR or intended to avoid fulfilling obligations) are required to have the approval of the OJR board of directors.

- (3) Regulations on information disclosure and management have been removed from Related Party Regulations, and those transactions requiring disclosure have been revised in view of their importance and stipulated separately.
- (4) In addition, changes have been made to the text's organization and minor changes to the wording.

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.