

2. Purpose of the Acquisition

OJR will maintain the same policy as in the past, targeting at least approximately 80% of its investment at office buildings and in the greater Tokyo area. At the same time, the company has decided that in order to increase the stability and profitability of its portfolio and to maintain and improve profit distribution, it is essential to (1) invest in prudently selected assets with outstanding stability in cash flow and profitability (Retail facilities, sites, logistic facilities, etc.), as well as (2) strive to strengthen stability and profitability by asset reshuffling with regard to OJR's core portfolio of office buildings in the greater Tokyo area. See "ORIX JREIT Announces Acquisition of Three Properties (aune Kohoku, aune Makuhari and Kobe Momoyamadai Shopping Center (site))" and "ORIX JREIT Announces Sale of ORIX Jimbo-cho Building" dated March 3, 2010 for the details.

As a part of these efforts, OJR has now decided to acquire a logistics center, which falls into (1) above, and two properties, which are office buildings in the greater Tokyo area falling under (2) above. (As of today, OJR has decided to sell one office building. See "ORIX JREIT Announces Sale of ORIX Shinjuku Building" for the details.) As a result, OJR has completed the assets acquisition and reshuffling that it had been considering for March. (As of today, OJR has decided to upwardly revise its earnings forecast for the period ending August 2010. See "ORIX JREIT Revises Earnings Forecast for the 17th Fiscal Period (Ending August 31, 2010)" dated today for the details).

Looking to the future, OJR will strive to build a portfolio that can respond flexibly and promptly to changes in the business environment to secure stable profit distribution in the medium to long term through an external growth strategy that takes full advantage of the company's strengths as a comprehensive J-REIT.

1) OX Tamachi Building

Location

The property in question is located in the Shiba/Mita area, a prominent office district with a concentration of major corporation head office functions. The area has outstanding convenience in terms of transport with easy access to all districts within the city and, naturally, Haneda Airport as it is served by a number of railway lines, including the JR Yamanote Line and the Toei Mita Subway Line, as well as being linked to major trunk roads such as the Daiichi Keihin National Highway and Sakurada-dori. In addition to proximity to stations being one minutes' walk from the Subway Mita Station and about three minutes' walk from JR Tamachi Station, the property in question is a high profile office building fronting the Daiichi Keihin National Highway.

Building, facilities, and tenants

The property in question is an office building with ten floors above ground. The leased area (standard floor area) is approximately 657 m² or roughly 198 *tsubo*, and the building is equipped with certain specifications, including individually controlled air conditioning and an automated security system. In addition to the office tenants, the first floor is currently occupied by retail tenants, which are a bookstore and a café.

2) Omiya Shimocho 1-chome Building

Location

The property in question is in Omiya-ku, Saitama City, which is thriving as a focus for transportation, primarily Omiya Station, a leading terminal station within the greater Tokyo area. The area in question enjoys high demand in the office market of the urban area surrounding Tokyo as there is not only a network of railway lines spreading out from Omiya Station but also easy access to expressways, such as the Tohoku Expressway, the Kan-Etsu Expressway and the Tokyo-Gaikan Expressway, which enables business deployment over an extensive area, including the greater Tokyo area, northern Kanto, Joshinetsu and Tohoku districts.

The property in question is six minutes' walk from the east entrance to Omiya Station, where it is possible to utilize 12 railway lines, including five *shinkansen* lines. It also faces the Kyu-Nakasendo. This gives the property a high level of transport convenience as well as a high profile.

Building, facilities, and tenants

The property in question, featuring an open glass façade and a bright airy entrance, is a newly constructed office building with 8 floors above ground, which was completed in August 2009. The standard floor area has a leased area of approximately 715 m² or roughly 216 *tsubo*. The rectangular room layout with column-free design, ceiling height of 2,800 mm and 100mm raised-access floors secure expansive spaces. The property has a high level of specifications that include 59-car parking spaces, individually controlled air conditioning and an automated security system.

3) Sakai Logistics Center North Building

Location

The property in question is located in the Osaka Bay Area, which has recently come to be viewed as a site for logistics facilities within the Kansai region, which is today second to the Tokyo metropolitan region in the scale of consumption. As well as being positioned behind Osaka Port (North and South Ports), the Osaka Bay Area is equipped with excellent transport infrastructures, including the Hanshin Wangan Expressway. Therefore, it has access to Osaka and surrounding areas of high consumption, so it can be anticipated to be in strong demand as a location for logistics facilities in the future.

The property in question is approximately 2.0 km from Sambo Interchange on the Hanshin Wangan Expressway, giving it outstanding access to the Kobe area and Kansai International Airport in addition to Osaka City. Furthermore, with the Hanshin Sakai Expressway and National Highway 26, goods deliveries can easily be made to the southern and central parts of Osaka, and the location has good convenience as a place with proximity to central Osaka. Nearby, there is a concentration of industry including iron-related businesses and logistics facilities, and the property can be expected to have greater future potential, as the industrial complexes of major corporations have commenced operations and the transportation networks, such as the Hanshin Yamatogawa Expressway, are developing as well.

Building and facilities

The property in question is a newly constructed building completed in July 2009. It is a large-scale logistics facility with a total floor area of approximately 64,000 m² or roughly 20,000 *tsubo*. It is designed to meet the various needs of tenants, including ceiling heights of 6.0 - 7.57 m, column spacing of 11.0 m × 10.8 m, floor loading of 15,000 N/m², 86 docking berths, office facilities and an automated security system, equipping it for a wide variety of uses.

Tenants

The property in question is leased entirely to Nippon Express Co., Ltd., a prominent firm in the Japanese logistics business. OJR has concluded a long fixed-term agreement with the tenant in question, which we believe will secure stable cash flow.

3.Summary of Property for Acquisitions

1) OX Tamachi Building

Specified asset category	Real estate trust beneficial interest and Building improvements (air conditioner) *Note: OJR will establish an additional trust with building improvements after the acquisition and hold the real estate trust beneficial interest.
Trustee	The Norinchukin Trust and Banking Co., Ltd.
Term of trust agreement	September 21, 2006 – September 30, 2011
Address	31-19, Shiba 5-chome, Minato-ku, Tokyo
Registered usage	Office
Registered area	Land: 1,061.21 m ² Building: 7,554.10 m ² (total floor area)
Registered construction	Steel-reinforced concrete, steel-framed with flat roof, 10 floors
Registered completion date	January 30, 1986
Type of ownership	Fee simple Ownership
Previous owner	[Real estate trust beneficial interest] Joint Ark 01, LLC [Building improvements (air conditioner)] Japanese company
Acquisition price	¥ 6,730,000,000 (excluding national and local consumption taxes) [Composition] Real estate trust beneficial interest ¥6,658,344,800 Building improvements (air conditioner) ¥ 71,655,200
Appraised value	¥ 6,730,000,000
Appraisal date	February 24, 2010
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Scheduled acquisition date	March 29, 2010
Public transit access	About 1 minutes' walk from Mita Station on Toei Subway, About 3 minutes' walk from Tamachi Station on JR
Usage restrictions	Commercial district, Fire zone
Architects	Raymond architectural Design Office
General contractors	Joint venture between Kumagai Gumi Co., Ltd., TAISEI CORPORATION and KABUKI co., ltd
Building inspection agency	Government inspection
Main facilities and specifications	[Leased area (Standard floor area)] Approx. 657 m ² (roughly 198 tsubo) [Ceiling height] Standard floor area: 2,450 mm [Elevator] 3 for 13 passengers [Parking] 24-car parking spaces (parking elevator) [Others] Individually controlled air conditioning, Automated security system in operation
Earthquake resistance	PML 16.7 % (Based on SHIMIZU CORPORATION report)*
Collateral	None
Special notes	None
No. of tenants	10 (excluding car parking spaces, as of March 25, 2010)
Gross rental income	¥ 459 million For unavoidable reasons, including the contractual relationship with tenants, this figure is revenue from operations based on the direct capitalization method as shown in the Appraisal Report.
Security deposits	¥ 305 million (as of March 25, 2010)
Total rent space	4,806.28 m ² (as of March 25, 2010)
Total rentable space	6,166.99 m ² (as of March 25, 2010)
Occupancy rate	77.9% (as of March 25, 2010)

2) Omiya Shimocho 1-chome Building

Specified asset category	Property
Address	8-1 and other, Shimocho 1-chome, Omiya-ku, Saitama-City, Saitama
Registered usage	Office, Car park
Registered area	Land: 1,635.15 m ² Building: 6,844.39 m ² (total floor area)
Registered construction	Steel-framed with flat roof, 8 floors
Registered completion date	August 31, 2009
Type of ownership	Fee simple Ownership
Previous owner	ORIX Real Estate Corporation
Acquisition price	¥3,750,000,000 (excluding national and local consumption taxes)
Appraised value	¥3,750,000,000
Appraisal date	February 8, 2010
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Scheduled acquisition date	March 29, 2010
Public transit access	About 6 minutes' walk from Omiya Station on JR
Usage restrictions	Commercial district, Secondary-fire zone
Architects	SPIRITS-OFFICE CO., Ltd., OBAYASHI CORPORATION
Structural engineers	OBAYASHI CORPORATION
General contractors	OBAYASHI CORPORATION
Building inspection agency	JAPAN BUILDING EQUIPMENT AND ELEVATOR CENTER FOUMDATION
Main facilities and specifications	[Leased area (Standard floor area)] Approx. 715 m ² (roughly 216 tsubo) [Ceiling height] Standard floor area: 2,800 mm, Raised floors for computer wiring [Elevator] 3 for 15 passengers [Parking] 59-car parking spaces (parking elevator for 44, drive-in spaces for 14, 1 ground space) [Others] Individually controlled air conditioning, Automated security system in operation
Earthquake resistance	PML 10 % (Based on SHIMIZU CORPORATION report)*
Collateral	None
Special notes	None
No. of tenants	10 (excluding car parking spaces, as of March 25, 2010)
Gross rental income	¥ 271 million For unavoidable reasons, including the contractual relationship with tenants, this figure is revenue from operations based on the direct capitalization method as shown in the Appraisal Report.
Security deposits	¥ 220 million (excluding car parking spaces, as of March 25, 2010)
Total rent space	4,714.18 m ² (as of March 25, 2010)
Total rentable space	4,912.79 m ² (as of March 25, 2010)
Occupancy rate	96.0 % (as of March 25, 2010)

3) Sakai Logistics Center North Building

Specified asset category	Real estate trust beneficial interest
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Term of trust agreement	Land: October 31, 2007 – October 31, 2017 Building: July 31, 2009 – October 31, 2017 *Note: As of March 30, 2010, the termination date of the agreement will change to March 31, 2020.
Address	138-7 and other, Chikko Yawata-cho, Sakai-ku, Sakai-City, Osaka
Registered usage	Warehouse, Security guard's room
Registered area	Land: 34,088.70 m ² Building: 64,006.84 m ² (total floor area, includes 5.75 m ² Security guard's room)
Registered construction	Steel-framed building with an alloy-coated steel plate roof, 4 floors Security guard's room annex: Steel-framed one-story building with an alloy-coated steel plate roof
Registered completion date	July 13, 2009
Type of ownership	Fee simple Ownership
Previous owner	ORIX Real Estate Corporation
Acquisition price	¥10,200,000,000 (excluding national and local consumption taxes)
Appraised value	¥10,200,000,000
Appraisal date	February 5, 2010
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Scheduled acquisition date	March 30, 2010
Public transit access	About 2.0 km from Sanbo IC, Hanshin Wangan Expressway About 3.1 km from Suminoekoen Station on Osaka Municipal Subway About 3.8 km from Sakai Station on NANKAI Dentetsu
Usage restrictions	Industrial area, Coastal zone (industrial area)
Architects	NIPPON STEEL ENGINEERING CO., LTD.
Structural engineers	NIPPON STEEL ENGINEERING CO., LTD.
General contractors	NIPPON STEEL ENGINEERING CO., LTD.
Building inspection agency	JAPAN ERI CO., LTD.
Main facilities and specifications	[Ceiling height] Warehouse 1st• 2nd: 7.57m, 3rd: 6.37m, 4th: 6.00m, Office: 3.00m [Freight elevators] 4, Load 3,500 kg [Vertical conveyors] 4, Load 1,500 kg [Dock levelers:] 10 [Warehouse floor loading] 15,000 N/m ² [Column spacing] 11.0 m × 10.8 m [Docking berths] 86-vehicle capacity [Parking] 165-car parking spaces
Earthquake resistance	PML 12 % (Based on SHIMIZU CORPORATION report)*
Collateral	None
Special notes	<ul style="list-style-type: none"> · With regard to this property, a right of superficies for the land in question has been established under an agreement dated March 24, 2010 concluded between Sakai City and Mitsubishi UFJ Trust and Banking Corporation for the ownership and management of sewerage facilities that Sakai City laid underground in the land. It is planned to register the establishment of this right of superficies in the future. Furthermore, agreement has been reached concerning succession of the rights by the buyer on the transfer of the property in question. · With regard to this property, an easement has been established on part of the land in question for the laying of a gas pipe underground and its maintenance and management under an agreement dated March 24, 2010 between Osaka Gas Co., Ltd., and Mitsubishi UFJ Trust and Banking Corporation. It is planned to register the establishment of this subdivision of the servient tenement and the easement in the future. Furthermore, agreement has been reached concerning prior notification, approval and succession by the buyer on the transfer of the property to a third party. · It is possible that telephone poles installed for Municipal Road Chikko Yawata No.3 on the eastern side of the land in question lie along side the land and partially cross the land boundary in the air.
No. of tenants	1 (as of March 25, 2010)

Gross rental income	¥ 735 million For unavoidable reasons, including the contractual relationship with tenants, this figure is revenue from operations based on the direct capitalization method as shown in the Appraisal Report. The figure has been computed based on new rent and deposits estimated by the appraiser.
Security deposits	- Because the tenant has not consented, these figures will not be disclosed.
Total rent space	64,004.80 m ² (as of March 25, 2010)
Total rentable space	64,004.80 m ² (as of March 25, 2010)
Occupancy rate	100.0 % (as of March 25, 2010)

*PML shows the estimated cost of recovering the building in the event of an 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.

4. Profile of Owner / Seller

1) OX Tamachi Building

a) Real estate trust beneficial interest

*As of March 24, 2010

Company Name	Joint Ark 01, LLC
Address	c/o Tokyo Kyodo Accounting Office, 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Representative	Representative Partner : Ark Harbor 01 Foundation Representative : Masato Kaida
Operations	Acquisition, holding, and sale of real estate and/or real estate trust beneficial interest, etc.
Shareholders' Equity	¥ 1 million
Date of establishment	June 26, 2007
Relationships with OJR or its asset management company	
Capital relationships	There is no capital relationship that requires reporting between OJR and the company in question. A subsidiary of ORIX Corporation, the parent company of the asset management company, has an anonymous association investment in the company in question. The subsidiary is a "related party" for ORIX Asset Management Corporation ("OAM") as stipulated in the Law Concerning Investment Trusts and Investment Corporations ("the Investment Trust Law").
Personal relationships	There is no personal relationship that requires reporting between OJR or OAM and the company in question.
Business relationships	There is no business relationship that requires reporting between OJR or OAM and the company in question.
Applicability to related parties	The company in question is not a "related party" for OJR. ORIX Real Estate Investment Advisors Corporation (a "related party" for OAM stipulated in the Investment Trust Law) is contracted to provide asset management for the company in question. Joint Ark 01, LLC should be treated as a "related party" stipulated in the "Affiliated Company Transaction Regulations," which are in-house regulations of OAM.

b) Building improvements (air conditioner)

The seller has not consented to disclosure, so it will not be disclosed. The seller is not a related party for OJR or OAM.

2) Omiya Shimocho 1-chome Building and Sakai Logistics Center North Building *As of March 25, 2009

Company Name	ORIX Real Estate Corporation
Address	4-1, Hamamatsucho 2-chome, Minato-ku, Tokyo
Representative	Representative Yoshiyuki Yamaya
Operations	Development of condominiums, detached houses, and office buildings. Subleasing and management of condominiums, shops, and offices.
Shareholders' Equity	¥ 200 million
Date of establishment	March 11, 1999
Major shareholder	ORIX Corporation 100%
Relationships with OJR or its asset management company	
Capital relationships	There is no capital relationship that requires reporting between OJR and the company in question. Both ORIX Real Estate Corporation and OAM are subsidiaries of ORIX Corporation. Their relationships thus correspond to that of a "related party" stipulated in the Investment Trust Law.
Personal relationships	There is no personal relationship that requires reporting between OJR or OAM and the company in question.
Business relationships	During the period ended August 2009, OJR acquired two properties (total acquisition price: 18,000 million yen) from the company in question, and sold one property (sale price: 10,680 million yen) to the company in question.
Applicability to related parties	The company in question is not a "related party" for OJR. However, the company in question corresponds to a "related party" for OAM stipulated in the Investment Trust Law as mentioned above.

5. Information regarding Ownership

1) OX Tamachi Building

a) Real estate trust beneficial interest

	Previous Owner	Owner Before Previous Owner
Company Name	Joint Ark 01, LLC	ORIX Real Estate Corporation
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above	Refer to Section 4. "Profile of Owner/Seller" above
Background to and reason for acquisition	For sale	For sale
Acquisition date	September 28, 2007	September 21, 2006
Acquisition price	Omitted, as previous owner held real estate trust beneficial interest for over a year.	

	Previous Owner Before Previous Owner	Owner Before Previous Owner Before Previous Owner
Company Name	OX Blue Corporation	Not a party having special relationship of interest
Special relationships involved	Both OX Blue Corporation and OAM are subsidiaries of ORIX Corporation. Their relationships thus correspond to that of a "related party" stipulated in the Investment Trust Law.	
Background to and reason for acquisition	For sale	
Acquisition date	March 1, 2006	
Acquisition price		

b) Building improvements (air conditioner)

	Previous Owner
Company Name	Japanese company
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above
Background to and reason for acquisition	Acquired as assets to be leased out
Acquisition date	
Acquisition price	

2) Omiya Shimocho 1-chome Building

	Previous Owner
Company Name	ORIX Real Estate Corporation
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above
Background to and reason for acquisition	New development (Construction completed in August 2009)
Acquisition date	
Acquisition price	

3) Sakai Logistics Center North Building

a) Real estate trust beneficial interest (Land)

	Previous Owner	Owner Before Previous Owner
Company Name	ORIX Real Estate Corporation	Joint Ark 05, LLC
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above	ORIX Real Estate Investment Advisors Corporation (a "related party" for OAM stipulated in the Investment Trust Law) is contracted to provide asset management for the company in question.
Background to and reason for acquisition	For sale	New development
Acquisition date	March 1, 2010	October 31, 2007
Acquisition price	¥10,200,000,000 (Including building price. Excluding national and local consumption taxes.)	Omitted, as owner before previous owner held real estate trust beneficial interest for over a year.

	Previous Owner Before Previous Owner
Company Name	ORIX Real Estate Corporation
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above
Background to and reason for acquisition	New development
Acquisition date	
Acquisition price	

b) Real estate trust beneficial interest (Building)

	Previous Owner	Owner Before Previous Owner
Company Name	ORIX Real Estate Corporation	Joint Ark 05, LLC
Special relationships involved	Refer to Section 4. "Profile of Owner/Seller" above	ORIX Real Estate Investment Advisors Corporation (a "related party" for OAM stipulated in the Investment Trust Law) is contracted to provide asset management for the company in question.
Background to and reason for acquisition	For sale	New development (Construction completed in July 2009)
Acquisition date	March 1, 2010	
Acquisition price	¥10,200,000,000 (Including land price. Excluding national and local consumption taxes.)	

6. Intermediary (same for three properties)

None

7. Payment

- a) OX Tamachi Building and Sakai Logistics Center North Building
Funding method: Self-financed (as scheduled)
Payment terms: 100% on transfer
- b) Omiya Shimocho 1-chome Building
Funding method: Self-financed, issuance of investment corporate bonds and loan proceeds (as scheduled)
Payment terms: 100% on transfer

8. Related-Party Transactions

OJR will acquire OX Tamachi Building from Joint Ark 01, LLC, and the Omiya Shimocho 1-chome Building and the Sakai Logistics Center North Building from ORIX Real Estate Corporation. In accordance with the Affiliated Company Transaction Regulations, which are in-house regulations of the asset management company, the transactions in question have been approved by OJR's board of directors after being examined by the Risk Management and Compliance Committee and the board of directors at the asset management company. See 4. "Profile of Owner/Seller" for the summary of the related parties.

9. Schedule

- a) OX Tamachi Building and Omiya Shimocho 1-chome Building
March 25, 2010: Decision made to acquire the properties
March 25, 2010 (scheduled): Execution of sale and purchase contract for the properties
March 29, 2010 (scheduled): Transfer of two properties
- b) Sakai Logistics Center North Building
March 25, 2010: Decision made to acquire the properties
March 25, 2010 (scheduled): Execution of sale and purchase contract for the properties
March 30, 2010 (scheduled): Transfer of the property

10. Future Outlook

For the impact of the acquisition of the total six properties, including the three properties in question and aune Kohoku, aune Makuhari and Kobe Momoyamadai Shopping Center (site) (press release dated March 3, 2010), and the sale of the ORIX Jimbo-cho Building (press release dated March 3, 2010) and the ORIX Shinjuku Building (press release dated March 25, 2010) as well as the present portfolio overall on business performance for the period ending August 2010 (March 1, 2010 - August 31, 2010), please see the press release “ORIX JREIT Revises Earnings Forecast for the 17th Fiscal Period (Ending August 2010)” dated today.

Addendums

- I. Property photo and map
- II. Appraisal summary
- III. Portfolio summary after acquisition of three properties and sale of the ORIX Shinjuku Building

The original Japanese version of this material is being distributed today to the Kabuto Club, the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

I. Property photo and map

1) OX Tamachi Building



2) Omiya Shimocho 1-chome Building



3) Sakai Logistics Center North Building



II. Appraisal summary

1) OX Tamachi Building

Appraisal

- 1) Appraised Value ¥ 6,730,000,000-
- 2) Appraisal Date February 24, 2010
- 3) Appraiser DAIWA REAL ESTATE APPRAISAL CO.,LTD.

Valuations by method

- 1) Cost Method..... ¥ 5,000,000,000-
- 2) Income Method
 - i. DCF value ¥ 6,730,000,000-
Discount Rate..... 4.8 %
Terminal Capitalization Rate 5.2 %
 - ii. DC Value..... ¥ 6,740,000,000-
Capitalization Rate..... 5.0 %

Income projection

The following projection is quoted from the income projection using the direct capitalization method in the Appraisal Report, and does not represent any projections by OJR or OAM.

(In millions of yen)

(1) Gross revenue (a-b)	459
a. Effective gross revenue	484
b. Vacancy loss	25
(2) Total costs (c+d+e+f)	110
c. Management /maintenance fee (management fee, utility expenses, PM fees, etc.)	70
d. Taxes	36
e. Casualty insurance premium	0
f. Other costs	3
(3) Net revenue (1-2)	348
(4) Lump sum revenue	5
(5) Capital expenditure	17
(6) Net income (3+4-5)	337

Long Term Projected Repairs

According to the Engineering Report by NIPPON KANZAI Co., Ltd. maintenance cost over the next 12 years will be ¥ 237,250 thousand.

2) Omiya Shimocho 1-chome Building

Appraisal

- 1) Appraised Value ¥ 3,750,000,000-
- 2) Appraisal Date February 8, 2010
- 3) Appraiser DAIWA REAL ESTATE APPRAISAL CO.,LTD.

Valuations by method

- 1) Cost Method..... ¥ 3,730,000,000-
- 2) Income Method
 - i. DCF value ¥ 3,750,000,000-
 - Discount Rate..... 5.5 %
 - Terminal Capitalization Rate 5.9 %
 - ii. DC Value..... ¥ 3,760,000,000-
 - Capitalization Rate..... 5.7 %

Income projection

The following projection is quoted from the income projection using the direct capitalization method in the Appraisal Report, and does not represent any projections by OJR or OAM.

(In millions of yen)	
(1) Gross revenue (a-b)	271
a. Effective gross revenue	288
b. Vacancy loss	16
(2) Total costs (c+d+e+f)	57
c. Management /maintenance fee (management fee, utility expenses, PM fees, etc.)	28
d. Taxes	28
e. Casualty insurance premium	0
f. Other costs	0
(3) Net revenue (1-2)	214
(4) Lump sum revenue	4
(5) Capital expenditure	4
(6) Net income (3+4-5)	214

Long Term Projected Repairs

According to the Engineering Report by NIPPON KANZAI Co., Ltd. maintenance cost over the next 12 years will be ¥ 23,550 thousand.

3) Sakai Logistics Center North Building

Appraisal

- 1) Appraised Value ¥ 10,200,000,000-
- 2) Appraisal Date February 5, 2010
- 3) Appraiser DAIWA REAL ESTATE APPRAISAL CO.,LTD.

Valuations by method

- 1) Cost Method..... ¥ 8,550,000,000-
- 2) Income Method
 - i. DCF value ¥ 10,200,000,000-
 - Discount Rate..... 5.9 %
 - Terminal Capitalization Rate 6.3 %
 - ii. DC Value..... ¥ 10,200,000,000-
 - Capitalization Rate..... 6.1 %

Income projection

The following projection is quoted from the income projection using the direct capitalization method in the Appraisal Report, and does not represent any projections by OJR or OAM.

(In millions of yen)	
(1) Gross revenue (a-b)	735
a. Effective gross revenue	735
b. Vacancy loss	0
(2) Total costs (c+d+e+f)	99
c. Management /maintenance fee (management fee, utility expenses, PM fees, etc.)	13
d. Taxes	84
e. Casualty insurance premium	1
f. Other costs	0
(3) Net revenue (1-2)	636
(4) Lump sum revenue	1
(5) Capital expenditure	17
(6) Net income (3+4-5)	620

Long Term Projected Repairs

According to the Engineering Report by NIPPON KANZAI Co., Ltd. maintenance cost over the next 12 years will be ¥ 1,200 thousand.

III. Portfolio summary after acquisition of three properties and sale of the ORIX Shinjuku Building

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Offices	3 central Tokyo wards	Aoyama Suncrest Building	December 1, 2001	3,356	1.1	
		Round-Cross Ichi-bancho	December 1, 2001	3,900	1.3	
		Beside Shirogane	December 21, 2001	1,300	0.4	
		Round-Cross Akasaka Mitsuke	December 21, 2001	1,650	0.6	
		Nihonbashi East Building	December 21, 2001	1,720	0.6	
		Round-Cross Minami Azabu	December 21, 2001	1,394	0.5	
		Round-Cross Akasaka	January 10, 2002	2,624	0.9	
		Round-Cross Mita	January 10, 2002	1,748	0.6	
		Shiba Daimon Building	January 10, 2002	2,195	0.7	
		Round-Cross Tsukiji	January 10, 2002	3,378	1.1	
		ORIX Shiba 2-chome Building	September 29, 2003	7,500	2.5	
		Aoyama 246 Building	March 3, 2004	5,200	1.8	
		ORIX Akasaka 2-chome Building	June 26, 2006	21,860	7.4	
			December 4, 2006			
		Nihonbashi Honcho 1-chome Building	March 28, 2007	10,500	3.5	
		ORIX Suidobashi Building	March 28, 2008	3,000	1.0	
		ORIX Shinagawa Building	June 27, 2008	15,200	5.1	
		* OX Tamachi Building	March 29, 2010 (sheduled)	6,730	2.3	
			Subtotal	93,255	31.4	
	Remaining Tokyo wards	Carrot Tower	December 1, 2001	5,479	1.8	
		Toyo MK Building	December 1, 2001	5,270	1.8	
		Round-Cross Moto Yoyogi	December 1, 2001	5,091	1.7	
		Round-Cross Nishi Shinjuku	December 1, 2001	2,650	0.9	
		Beside Kiba	December 21, 2001	2,450	0.8	
		DT Gaien	December 21, 2001	2,430	0.8	
		Yoyogi Forest Building	December 21, 2001	1,473	0.5	
		ORIX Ikebukuro Building	April 18, 2003	9,577	3.2	
		Round-Cross Shinjuku	April 28, 2006	8,020	2.7	
		Seafort Square Center Building	September 30, 2005	18,000	6.1	
			April 28, 2006			
		Round-Cross Kamata	March 1, 2006	5,640	1.9	
		Round-Cross Shinjuku 5-chome	April 26, 2007	4,500	1.5	
		KN Jiyugaoka Plaza	May 30, 2007	3,110	1.0	
		ST WORLD Building	March 28, 2008	3,500	1.2	
		ORIX Real Estate Nishi Shinjuku Building	March 27, 2009	13,600	4.6	
			Subtotal	90,790	30.6	
		Other parts of the greater Tokyo area	Neo City Mitaka	December 1, 2001	2,200	0.7
			Round-Cross Kawasaki	April 27, 2004	4,130	1.4
	Omiya Miyacho Building		March 27, 2009	4,400	1.5	
	* Omiya Shimocho 1-chome Building		March 29, 2010 (sheduled)	3,750	1.3	
			Subtotal	14,480	4.9	
	Other areas	Nagoya Itochu Building	September 29, 2003	4,500	1.5	
		ORIX Koraibashi Building	April 27, 2005	5,560	1.9	
		Lunar Sendai	June 28, 2007	8,500	2.9	
		ORIX Nagoya Nishiki Building	March 29, 2010	12,500	4.2	
			Subtotal	31,060	10.5	
		Offices Total	229,585	77.4		
	Logistics Facilities	Other parts of the greater Tokyo area	Koshigaya Logistics Center	April 28, 2006	4,000	1.3
			Toda Park Logistics Center	March 28, 2008	9,600	3.2
			Ichikawa Logistics Center	September 29, 2008	8,300	2.8
				Subtotal	21,900	7.4
		Other areas	* Sakai Logistics Center North Building	March 30, 2010 (sheduled)	10,200	3.4
		Subtotal	10,200	3.4		
	Logistics Facilities Total	32,100	10.8			
Retail Facilities	3 central Tokyo wards	Nihon Jisho Minami Aoyama Building	October 31, 2003	2,548	0.9	
			Subtotal	2,548	0.9	
	Remaining Tokyo wards	CUBE Daikanyama	March 31, 2004	2,435	0.8	
			Subtotal	2,435	0.8	
	Other parts of the greater Tokyo area	aune Kohoku	March 10, 2010	4,000	1.3	
		aune Makuhari	March 10, 2010	3,600	1.2	
		Subtotal	7,600	2.6		
Other areas	Kobe Momoyamadai Shopping Center (Site)	March 5, 2010	3,260	1.1		
	Subtotal	3,260	1.1			
	Retail Facilities Total	15,843	5.3			
Hotels	Other parts of the greater Tokyo area	Cross Gate	January 10, 2002	15,040	5.1	
			Subtotal	15,040	5.1	
		Hotels Total	15,040	5.1		
Others	3 central Tokyo wards	Park Axis Nishi Azabu Stage	December 1, 2001	1,219	0.4	
			Subtotal	1,219	0.4	
	Remaining Tokyo wards	Grand Maison Hakusan	December 1, 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1, 2001	2,377	0.8	
		Subtotal	2,832	1.0		
	Others Total	4,051	1.4			
	Grand Total	53 propeties	296,619	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. "Percentage of total acquisition cost" 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 "Percentage of total acquisition cost". Totals for the "Percentage of total acquisition cost" may not tally as a result of rounding.