

Achieving growth with a firm financial foundation

ORIX JREIT REPORT 19th Period



ORIX JREIT Inc.

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ORIX JREIT Inc.

Profile

On June 12, 2002, ORIX JREIT Inc. (OJR) was listed on the Tokyo Stock Exchange as a diversified REIT, the first such listing in Japan. OJR invests in a wide variety of real estate properties, centered on office buildings, and also including logistics facilities, retail facilities, residential, and other properties.

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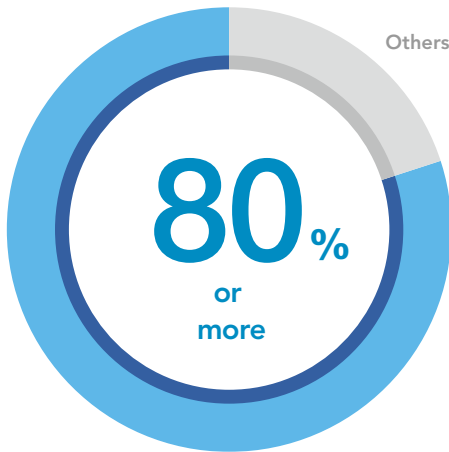


OJR Investment Policy

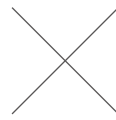
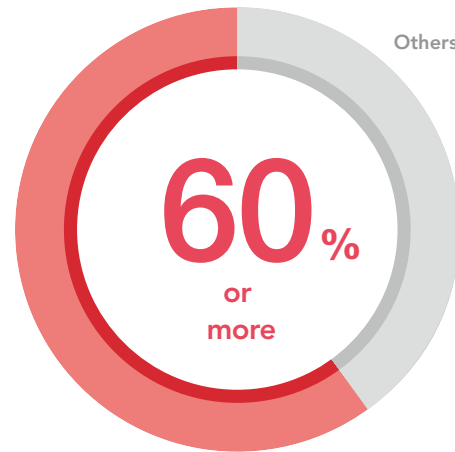
Aiming at creating a solid portfolio that combines stability and growth potential

Greater Tokyo Area

(Tokyo, Kanagawa, Saitama and Chiba)



Offices



OJR is a diversified REIT focused on office buildings and greater Tokyo. In order to mitigate risk and deliver stable distributions to unitholders, OJR has been creating a solid portfolio that combines stability and growth potential. Investment is based on the following four considerations: property use diversification, regional diversification, property size, and portfolio management.

01

Use

Generally speaking, we will invest in office-use real estate-related assets with a value of 60% or more (on an acquisition price basis) of our total portfolio. Also through investing in a wide variety of real estate-related assets, including logistics facilities, retail facilities, residential and other properties, we aim to construct a portfolio based on an integrated model. Diverse investments are expected to reduce exposure to risk, and help maintain and increase the stability and growth potential of distributions over the medium to long term.

02

Region

We will invest 80% or more of the total portfolio (on an acquisition price basis) in the greater Tokyo area (Tokyo, Kanagawa, Saitama and Chiba). In order to improve profitability in total portfolio, we also invest in candidates based on set criteria outside the greater Tokyo area.

03

Property Size

For offices in particular, our general rule for investment is to focus on medium-sized or larger real estate-related assets, but at the same time, reduce the investment risk concentrated in each specific property. With regard to real estate-related assets for non-office use, OJR will make investment decisions taking into consideration a variety of factors including the characteristics of each sector such as property size.

04

Portfolio Management

To enable us to respond effectively to changes in the business environment by adjusting our portfolio accordingly, we employ a flexible policy allowing us to make swift decisions on acquiring, holding, and selling real estate-related assets.



19th Period Highlights

Expand portfolio by aggressively acquiring properties through issuance of new investment units

Since the start of the 19th period, OJR has acquired a total of 10 properties (two office buildings, a logistics facility, a retail facility, and six residential properties, which offer excellent stability and profitability) by leveraging funds raised through the issuance of new investment units and debt financing, as well as using cash on hand.

Topics	Date	Details
	March 1, 2011	Acquired Maruetsu Sagamino (acquisition price: ¥2,350 million) Sold Round-Cross Moto Yoyogi (sales price: ¥4,807 million)
	May 25, 2011	Issued new investment units by a public offering (number of units issued: 31,250 units; aggregate issue price: ¥12,459 million)
	June 1, 2011	Acquired Akihabara Business Center (acquisition price: ¥5,060 million), We Will Hatchobori (acquisition price: ¥2,370 million), Belle Face Kamata (acquisition price: ¥3,550 million), Belle Face Hongo Yumicho (acquisition price: ¥3,340 million), Belle Face Osaka Shinmachi (acquisition price: ¥3,684 million), and Belle Face Amagasaki (acquisition price: ¥3,440 million)
	June 24, 2011	Issued new investment units through third-party allotment (Number of units issued: 1,562 units, aggregate issue price: ¥623 million)
	June 30, 2011	Acquired the Komaki Logistics Center (acquisition price: ¥2,700 million)
	July 28, 2011	Acquired Shibaura Island Air Tower (acquisition price: ¥6,030 million)
	September 29, 2011	Acquired the ORIX Kobe Sannomiya Building (acquisition price: ¥3,800 million)

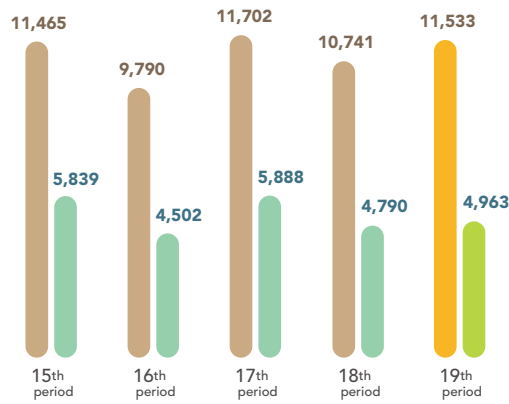
Five-Period Financial Summary

Millions of yen	19th period Mar. 2011-Aug. 2011	18th period Sept. 2010-Feb. 2011	17th period Mar. 2010-Aug. 2010	16th period Sept. 2009-Feb. 2010	15th period Mar. 2009-Aug. 2009
Operating revenues	¥ 11,533	¥ 10,741	¥ 11,702	¥ 9,790	¥ 11,465
Operating income	4,963	4,790	5,888	4,502	5,839
Net income	3,309	3,292	4,308	3,344	4,761
NOI from property leasing activity	8,114	8,041	7,818	7,357	7,592
Distribution per unit (Yen)	12,571	13,083	16,061	13,290	18,922
Total assets	341,515	318,739	305,620	297,279	287,727
Net assets	154,472	141,373	142,122	141,158	142,575
Net assets per unit (Yen)	543,084	561,847	564,825	560,993	566,625
Unitholders' capital	150,896	137,814	137,814	137,814	137,814
Total number of units issued (Units)	284,434	251,622	251,622	251,622	251,622

Operating revenues / Operating income

Millions of yen

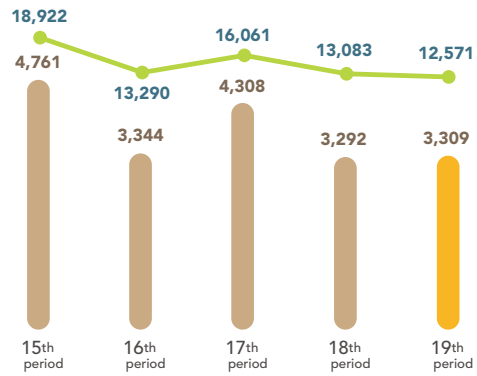
● Operating revenues
● Operating income



Net income / Distribution per unit

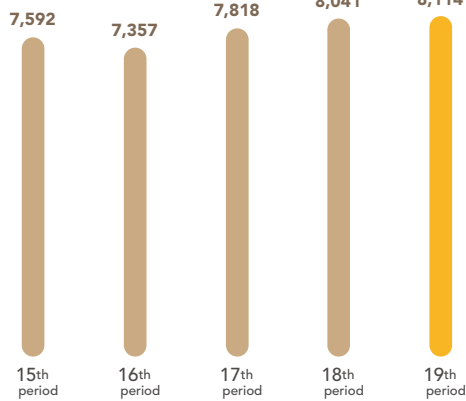
Millions of yen / Yen

● Net income
● Distribution per unit



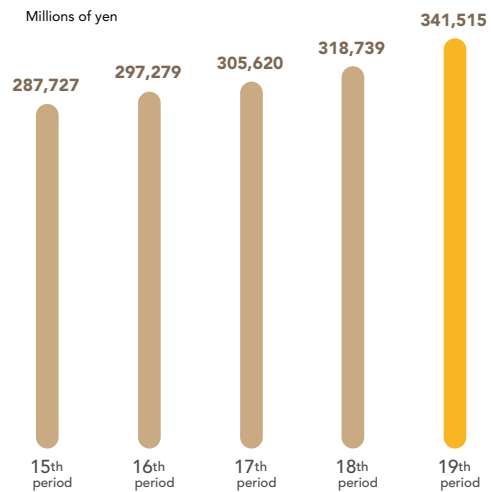
NOI from property leasing activity

Millions of yen



Total assets

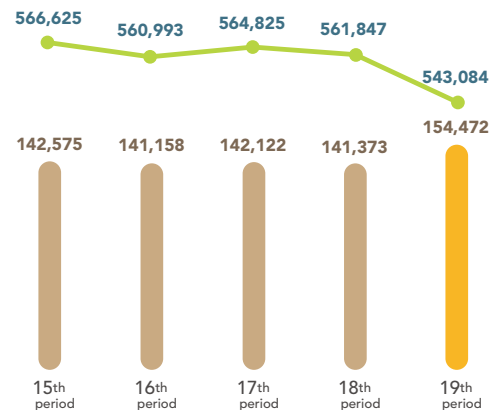
Millions of yen



Net assets / Net assets per unit

Millions of yen / Yen

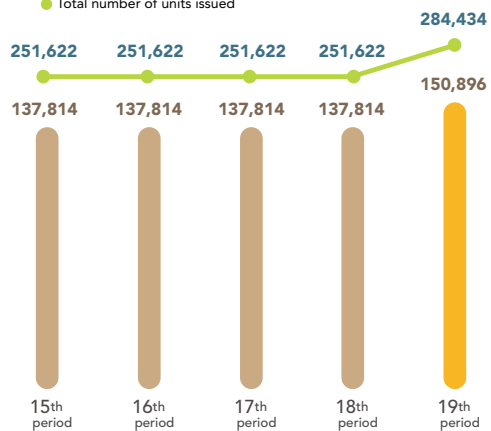
● Net assets
● Net assets per unit



Unitholders' capital / Total number of units issued

Millions of yen / Units

● Unitholders' capital
● Total number of units issued





Hiroshi Yasuda

President and CEO of ORIX Asset Management Corporation

Takeshi Sato

President and Executive Director of ORIX JREIT Inc.



Message from the Management

We express our deep appreciation for the ongoing concern that our unitholders have for ORIX JREIT Inc., and ORIX Asset Management Corporation.

We offer our deepest sympathies to all those who have been affected by the Great East Japan Earthquake ("the Earthquake"), and we hope for the earliest possible recovery and reconstruction.

We are pleased to report the business performance of OJR for the 19th period to our unitholders, as follows:

The Japanese economy has been stagnant during the 19th period due to the continuing deterioration of the European debt crisis since this summer as well as sluggish domestic production as a result of the Earthquake and Fukushima nuclear power plant crisis. Nevertheless, we recently began to see some signs of recovery.

In the office leasing market, the vacancy rate for Tokyo business districts remained high at 8% range (research by Miki Shoji Co., Ltd.), while the average rent continued to slide moderately. It will still take some more time for business sentiment to return to pre-earthquake levels, and recruiting activities remain flat. Accordingly, we expect the office leasing market will remain stagnant for the time being. Meanwhile, the real estate sales market began to recover from a temporary lull following the Earthquake. The major market players, including J-REITs, are now actively engaging in real estate transactions.

Against such backdrop, OJR raised approximately 13 billion yen through a public offering of additional investment units for the first time in about four years and acquired a total of six properties (an office building and five residential properties that can expect stable revenue for the medium to long term) during the 19th period. We are acquiring properties on a continuous basis after the public offering of investment units, driving steady expansion of assets and improvement in the quality of our asset portfolio.

As a result of these efforts, we generated 11,533 million yen in operating revenues, 4,963 million yen in operating income, and 3,309 million yen in net income. The distribution per unit was 12,571 yen. As of October 21, 2011, the announcement date of the 19th period financial results, OJR holds a portfolio of 63 properties with a total acquisition price of 342,271 million yen.

Although minor damage to some of the properties that OJR owns was discovered as a result of the Earthquake, it has been confirmed that there were no casualties or physical damage that will have a major impact on OJR's business operations. OJR recorded a 109 million yen extraordinary loss as a restoration expense related to the Earthquake for this period.

OJR intends to achieve further growth by flexibly and promptly responding to changes in the business environment, and aims to achieve stable distributions and an increase in the asset value of our portfolio over the medium to long term.

We thank all our unitholders and look forward to your continued support and encouragement.

Hiroshi Yasuda
President and CEO of ORIX Asset Management Corporation

Takeshi Sato
President and Executive Director of ORIX JREIT Inc.



Achieving growth with a firm financial foundation

OJR publicly offered investment units in May 2011—the fourth such offering since going public.

In this section, we will explain the issuance of new investment units and our external growth since the 19th period.



Outline of the fourth public offering of investment units

OJR raised 13,082 million yen through its fourth public offering of investment units. We used the funds from this public offering to purchase properties and acquired a total of six properties (an office building and five residential properties). Subsequent to the public offering of investment units, up to October 21, 2011 (the day we announced the results for the 19th period), we additionally acquired a total of three properties (an office building, a logistics facility, and a residential property) as the interest-bearing debt ratio dropped by the issuance of new investment units.

	Before Public Offering	⊕	After Public Offering
Total number of units issued	251,622 units	+32,812 units	284,434 units
Unitholders' capital	¥137,814 million	+¥13,082 million	¥150,896 million

External growth leveraged on the strength of a diversified REIT

OJR has acquired a total of 10 properties (two office buildings, a logistics facility, a retail facility and six residential properties) and sold an office building since the start of the 19th period. As a result, our portfolio consists of a total of 63 properties with a total acquisition price of 342,271 million yen as of October 21, 2011. This is an increase of 31,233 million yen in external growth compared with the value as of the end of the 18th period. We have also succeeded in reducing the average building age by acquiring newly built and relatively new buildings.

At the same time, OJR is striving to maintain and improve distribution payments to unitholders by aggressively acquiring properties other than office buildings reflecting the lackluster state of the office leasing market. OJR continues to focus on external growth and quality portfolio management while responding to changes in the business environment with flexibility and mobility in order to ensure higher distribution payments over the medium to long term.

Summary of Property Acquisitions and Sales since the Start of the 19th Period

⊕ Acquired

Number of properties acquired: 10

Total acquisition price: ¥36,324 million

Average building age: 3.2 years

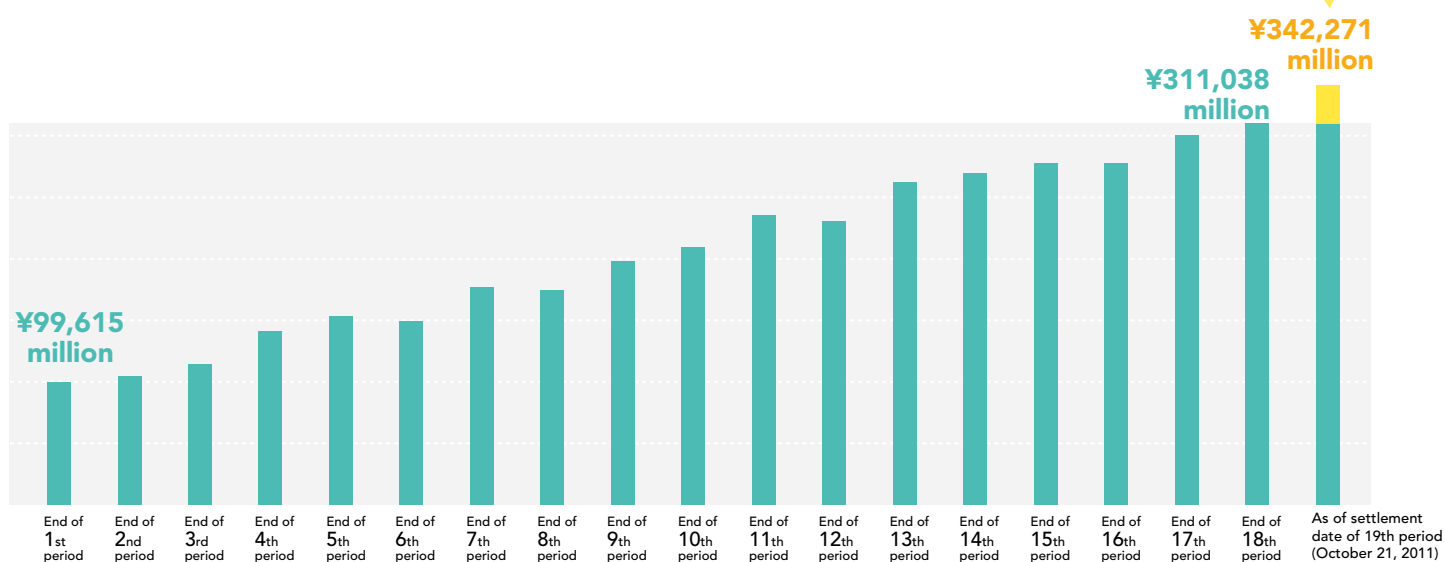
⊖ Sold

Round-Cross Moto Yoyogi

Acquisition price: ¥5,091 million

Building age as of the date of sales: 18.9 years

Achieved external growth of ¥31,233 million





New Acquisitions

Residence Shibaura Island Air Tower

This property consists of two buildings—Air Tower, residential units for rent; and Air Terrace occupied by retail outlets. It is located a roughly eight-minute walk from JR Tamachi Station, and a nine-minute walk from Mita Station on the Toei Subway Line and from Shibaurafuto Station on the Yurikamome Line. It is located in the Shibaura Island district, an area offering easy access to business and commercial centers in central Tokyo.

Completed in 2007, the 48-story Air Tower is a recently built high-rise residential property. It has a total of 871 rentable units that offer a variety of floor plans from studio units to “3LDK” units (the local terminology indicating a separate living room, dining/kitchen room and three bedrooms). Good security, including an around-the-clock manned property management service, is available. Common facilities such as a concierge service counter and a party room are available in the Clubhouse Building connected via deck passageway.

Air Terrace, a two-story building, is directly connected to the second floor of Air Tower (residential units for rent) via a deck passageway. It accommodates six tenants including a supermarket, a medical clinic, a nursery facility, a restaurant and others.



	Air Tower	Air Terrace
Location	: Minato Ward, Tokyo	
Completion	: March 2007	
Number of Floors	: 48 floors	: 2 floors
Land	: 11,280.97 m ² (Fixed-term leasehold) (23%)*	
Total Floor Area	: 78,333.26 m ² (23%)**	: 3,426.74 m ² (23%)**
Acquisition Date	: July 28, 2011	
Acquisition Price	: ¥6,030 million	

* The figure in parenthesis indicates share of quasi-co-ownership of fixed-term leasehold of OJR.

** The figures in parentheses indicate shares of co-ownership of OJR, respectively.

ORIX Kobe Sannomiya Building

This property is located a roughly five-minute walk from JR Sannomiya Station. With multiple railway lines available, including JR, private railways and subways, as well as Port Liner, the Sannomiya area offers easy access to the entire Kansai region and within Kobe City. It also offers easy access to Shin-Kobe Station on the Sanyo Shinkansen Line and Kobe Airport. It serves as a business and commercial center in Kobe. Companies operating mainly in Hyogo Prefecture and the Kobe area are based in this area and a number of branch offices, sales offices, business hotels, as well as retail facilities are concentrated in this area.

Completed in 2009, this property is a recently built office building. It offers high specifications with the standard floor having a leasing space of about 164 tsubo (approx. 543 m²), pillar-free floors, a ceiling height of 2,800 mm and a raised access floor of 100 mm. In addition, an automated parking space for a total of 40 cars, separate air-conditioning systems, and an automatic security system are available. The standard floor offers the option to divide a single floor into up to five subsections, allowing for a variety of demands.



Location : Kobe City, Hyogo

Completion : September 2009

Number of Floors : 12 floors

Land : 1,032.83 m²

Total Floor Area : 7,847.58 m²

Acquisition Date : September 29, 2011

Acquisition Price : ¥3,800 million



New Acquisitions

Office Akihabara Business Center

This property is a new office building completed in October 2009. It is about a five-minute walk from JR Akihabara Station and Suehirocho Station on the Tokyo Metropolitan Subway, and is easily accessible by train.

Location	: Taito Ward, Tokyo
Completion	: October 2009
Number of Floors	: 10 floors with 1 underground floor
Land	: 673.75 m ²
Total Floor Area	: 5,942.88 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥5,060 million



Residence We Will Hatchobori

This property is located near the exit of the Hatchobori Station on the JR line and Tokyo Metropolitan Subway. It has a total of 55 rentable units that floor plans mainly consist of studio units and "1LDK" units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).

Location	: Chuo Ward, Tokyo
Completion	: March 2008
Number of Floors	: 14 floors with 2 underground floors
Land	: 406.80 m ²
Total Floor Area	: 4,081.72 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥2,370 million



Residence Belle Face Kamata

This property is located about a six-minute walk from JR Kamata Station and a five-minute walk from Keikyu Kamata Station on the Keikyu Line. It has a total of 210 rentable units that offer floor plans chiefly consisting of "1K" units (the local terminology indicating a studio with a separate kitchen area).

Location	: Ota Ward, Tokyo
Completion	: November 2006
Number of Floors	: 16 floors with 1 underground floor
Land	: 964.47 m ²
Total Floor Area	: 8,696.50 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥3,550 million



Residence Belle Face Hongo Yumicho

This property is located about a four-minute walk from Suidobashi Station on the Toei Subway Line. Five stations on five railway lines are available for transportation. It has a total of 122 rentable units with floor plans primarily consisting of studio units and "1LDK" units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).

Location	: Bunkyo Ward, Tokyo
Completion	: November 2006
Number of Floors	: 14 floors with 1 underground floor
Land	: 1,157.02 m ²
Total Floor Area	: 5,348.39 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥3,340 million



Residence Belle Face Osaka Shinmachi

This property is located about a five-minute walk from Nishi-Ohashi Station on the Osaka Municipal Subway Line. It has a total of 177 rentable units with various types of units from "1K" units (the local terminology indicating a studio with a separate kitchen area) to "3LDK" units (the local terminology indicating a separate living room, dining/kitchen room and three bedrooms).

Location	: Osaka City, Osaka
Completion	: February 2008
Number of Floors	: 25 floors with 1 underground floor
Land	: 1,402.33 m ²
Total Floor Area	: 12,676.19 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥3,684 million



Residence Belle Face Amagasaki

This property is located about a seven-minute walk from JR Amagasaki Station, via a pedestrian deck directly connected to the station. It has a total of 207 rentable units with floor plans consisting of "1K" units (the local terminology indicating a studio with a separate kitchen area) and "1LDK" units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).

Location	: Amagasaki City, Hyogo
Completion	: February 2009
Number of Floors	: 10 floors
Land	: 2,998.74 m ²
Total Floor Area	: 11,354.43 m ²
Acquisition Date	: June 1, 2011
Acquisition Price	: ¥3,440 million





New Acquisitions

Logistics Komaki Logistics Center

The Komaki area, where this property is located, is highly accessible by car as it is at the junction of the Tomei and Meishin expressways. The area has developed as a key logistics base in the inland Nagoya region. It is expected that this area will continue to enjoy strong demand as a logistics center since it offers easy access to the greater Tokyo area and Kinki region.

Located about 1.4 km from the Komaki Interchange of the Tomei and Meishin expressways, and with its easy access to the urban districts of Nagoya City, this property boasts excellent accessibility as a logistics site near the Nagoya region. The favorable conditions for logistics operations include the availability of around-the-clock operations and ease of securing the necessary workforce.

Completed in September 2010, this property is a newly built logistics facility that offers versatile use with upscale specifications enabling it to meet the needs of tenants.



Location : Komaki City, Aichi

Completion : September 2010

Number of Floors : 4 floors

Land : 9,527.71 m²

Total Floor Area : 18,086.83 m²

Acquisition Date : June 30, 2011

Acquisition Price : ¥2,700 million

Retail Maruetsu Sagamino

This property is located about a four-minute walk from Sagamino Station on the Sagami Railway Main Line, in the east of Ebina City in Kanagawa Prefecture. It also offers easy access by car. These locational advantages will help attract a large number of shoppers to this local mall.

This property is a retail facility completed in November 2005. The entire property is leased out under a long-term lease agreement to The Maruetsu Inc., a supermarket chain operator in the greater Tokyo area. The first floor is allocated as a grocery section, and the second floor accommodates tenants subleased by Maruetsu, which include shops providing daily necessities such as pharmacies and clothing shops, as well as a dental clinic and restaurants. It is a highly convenient retail facility compared with its competitors in the neighborhood since shoppers can satisfy all their daily needs at one place.



Location : Ebina City, Kanagawa

Completion : November 2005

Number of Floors : 2 floors

Land : 9,256.20 m²

Total Floor Area : 6,863.76 m²

Acquisition Date : March 1, 2011

Acquisition Price : ¥2,350 million



Financial Status

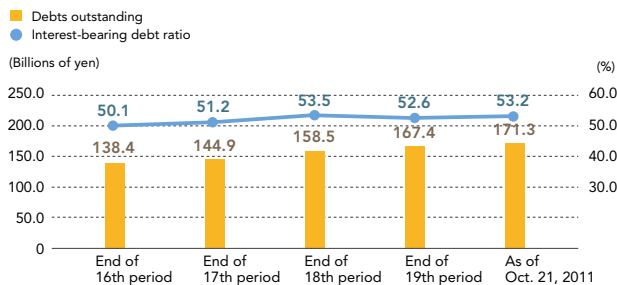
OJR has been promoting a financial policy by paying attention to maintaining well-balanced liabilities and assets, (1) striving to improve financial soundness by increasing unsecured borrowings, fixing interest rates of debt on a long-term basis and dispersing repayment dates, and (2) promoting an efficient capitalization policy.

Rating agency and details of ratings

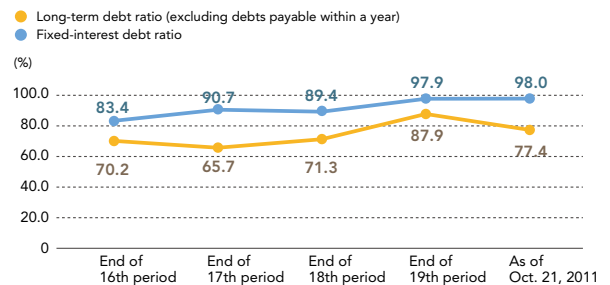
Rating agency	Details of ratings	Rating outlook
Standard & Poor's Rating Japan K.K.	Long-term corporate credit rating: A- Short-term corporate credit rating: A-2	Stable
Rating and Investment Information, Inc.	Issuer rating: A+	Stable
Japan Credit Rating Agency, Ltd.	Long-term senior debt ratings: AA-	Stable

Overview of borrowings

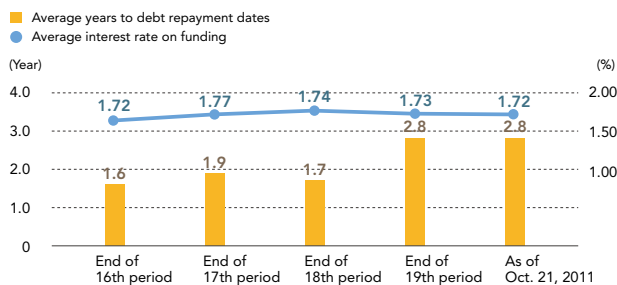
Debts outstanding and interest-bearing debt ratio



Long-term debt ratio and fixed-interest debt ratio

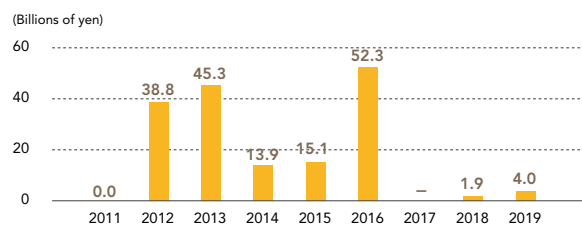


Average years to debt repayment dates and average interest rate on funding



Debts outstanding by repayment term

(as of October 21, 2011)



Notes:

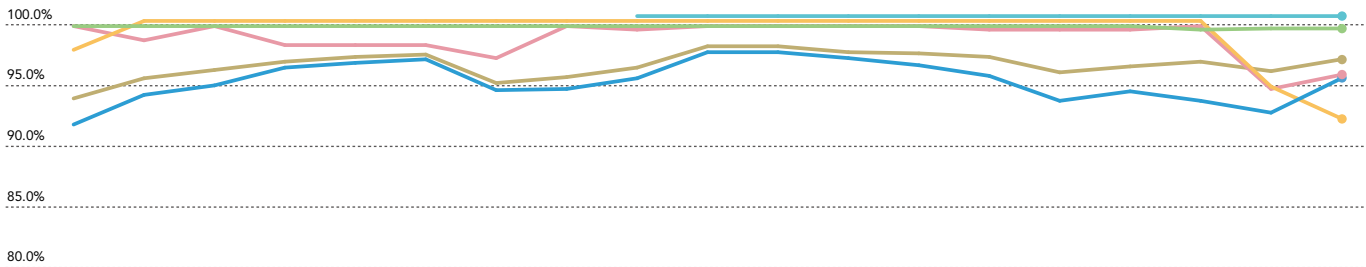
- "Interest-bearing debt ratio" is obtained by dividing interest-bearing debts outstanding by the total amount of interest-bearing debts outstanding and unitholders' capital. Figures are rounded to the first decimal place.
- "Long-term debt ratio" is obtained by dividing outstanding long-term interest-bearing debts (excluding debts payable within a year) by outstanding interest-bearing debts. Figures are rounded to the first decimal place.
- "Fixed-interest debt ratio" is obtained by dividing outstanding fixed-rate interest-bearing debts by outstanding interest-bearing debts. Figures are rounded to the first decimal place.
- "Average interest rate on funding" represents the weighted-average interest rate (annual rate). Figures are rounded to the second decimal place. With regard to the average interest rate on the portion of borrowings for which the company concluded interest-rate swap agreements to hedge against interest rate fluctuation risk, the company used weighted-average interest rates adjusted for the effect of relevant interest-rate swaps.
- "Debts outstanding by repayment term" indicates the distribution of OJR's debts as of October 21, 2011 that will decrease due to repayments at the end of the years listed above.



Investment Performance

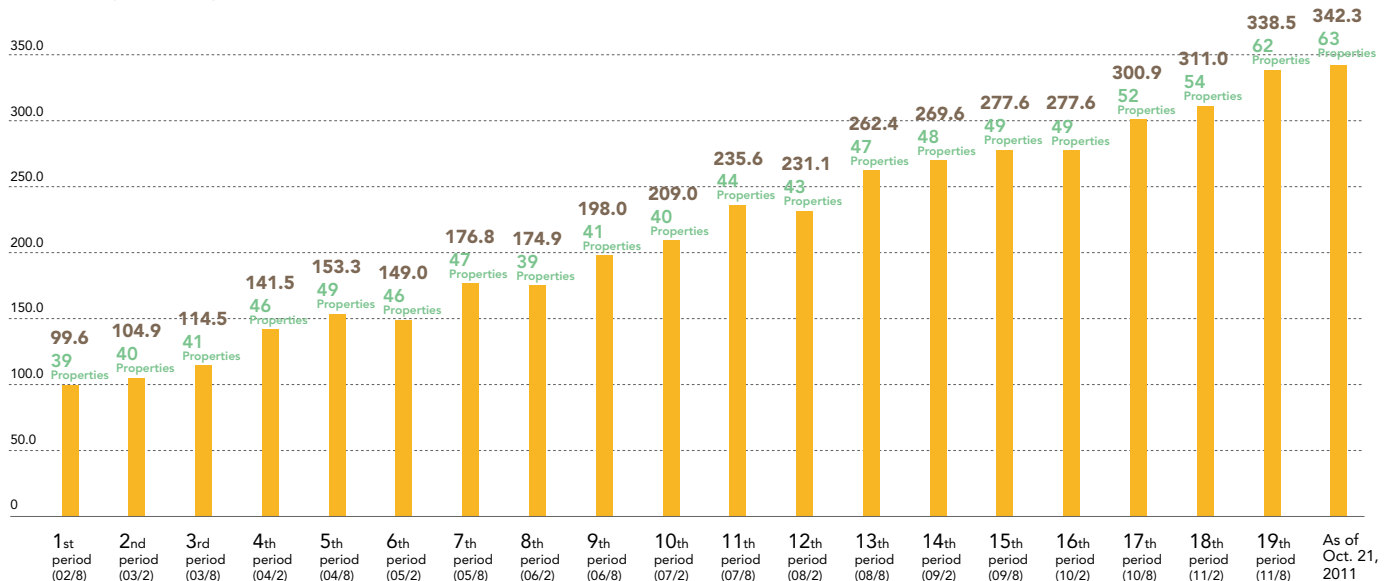
Record of OJR's Steady Growth

Occupancy rate (%)



	1st period (02/8)	2nd period (03/2)	3rd period (03/8)	4th period (04/2)	5th period (04/8)	6th period (05/2)	7th period (05/8)	8th period (06/2)	9th period (06/8)	10th period (07/2)	11th period (07/8)	12th period (08/2)	13th period (08/8)	14th period (09/2)	15th period (09/8)	16th period (10/2)	17th period (10/8)	18th period (11/2)	19th period (11/8)	
Offices	91.7	94.2	95.0	96.5	96.9	97.2	94.6	94.7	95.6	97.8	97.8	97.3	96.7	95.8	93.7	94.5	93.7	92.7	95.6	
Logistics Facilities	—	—	—	—	—	—	—	—	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Retail Facilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.7	99.8	99.8
Residential Properties	98.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	94.9	92.2
Others	100.0	98.8	100.0	98.4	98.4	98.4	97.3	100.0	99.7	100.0	100.0	100.0	100.0	99.7	99.7	99.7	100.0	94.7	95.9	
Overall	93.9	95.6	96.3	97.0	97.4	97.6	95.2	95.7	96.5	98.3	98.3	97.8	97.7	97.4	96.1	96.6	97.0	96.2	97.2	

Total acquisition price (Billions of yen)



Distribution per unit (Yen)

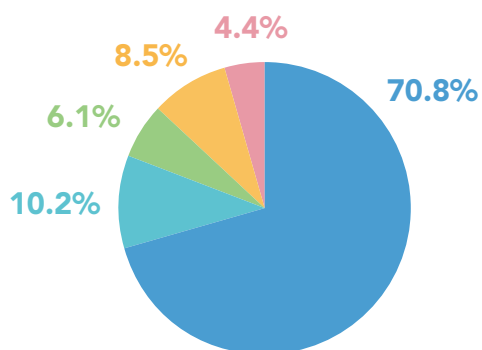
22,472 15,501 15,246 14,156 14,772 14,068 16,437 15,274 16,261 14,850 14,572 16,233 15,174 15,963 18,922 13,290 16,061 13,083 12,571

Portfolio Data Based on Acquisition Price

(As of October 21, 2011)

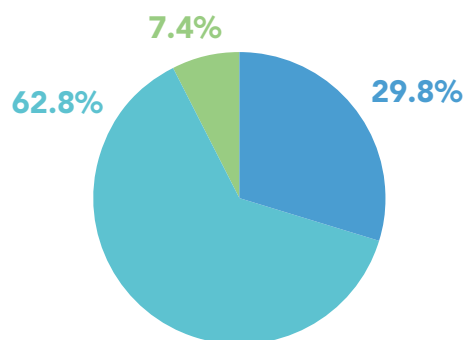
Use

- Offices
- Logistics Facilities
- Retail Facilities
- Residential Properties
- Others



Property size (Total floor area)

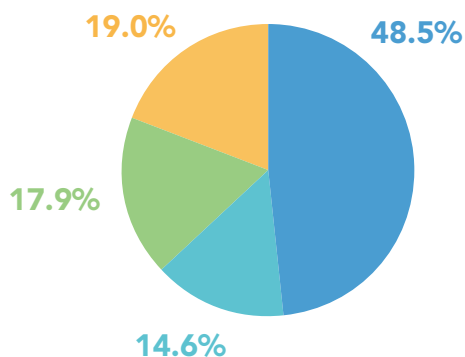
- Over 15,000 m²
- 3,000 to 15,000 m²
- Under 3,000 m²



Average 24,535m²

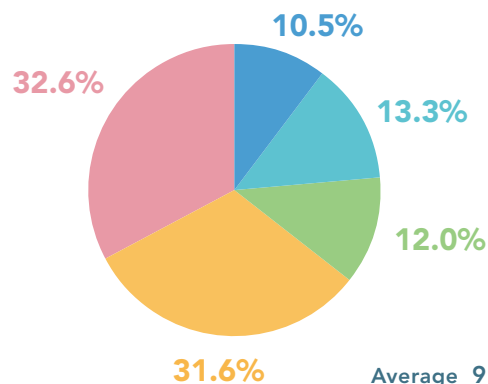
Area

- 6 Central Tokyo Wards
- Remaining Tokyo Wards
- Other Parts of the Greater Tokyo Area
- Other Areas



Building age

- Over 20y.
- 15-20y.
- 10-15y.
- 5-10y.
- Under 5y.



Average 9.9y.

Notes:

1. Percentage figures in the above graphs are rounded to the first decimal place. Total amounts do not necessarily come to 100% due to rounding.
2. The weighted averages for property size and building age are described based on the acquisition price of each property respectively. Figures for property size are rounded to the nearest full number. Figures for building age are rounded to the nearest first decimal place.
3. The above "acquisition prices" refer to acquisition prices shown on the purchase contracts (consumption tax is not included in the acquisition prices).
4. The above "property size (total floor area)" refers to the total floor space of the buildings, regardless of the equity stake of the company in the property.
5. The Kobe Momoyamada Shopping Center (site) is not included in "Property size" and "Building age."



The Portfolio of OJR

As of September 30, 2011

Use / Area	Property	Acquisition Price (Millions of yen)	Share in Total Acquisition Price (%)	Completion	Total Rentable Area (m ²)	Occupancy Rate (%)	
Offices							
6 Central Tokyo Wards	Aoyama Suncrest Building	¥ 3,356	1.0	September 1979	2,768.55	73.6	
	Round-Cross Ichi-bancho	3,900	1.1	March 1994	3,295.28	100.0	
	Round-Cross Nishi Shinjuku	2,650	0.8	June 1999	1,227.51	100.0	
	Beside Shirogane	1,301	0.4	September 1989	2,072.78	95.5	
	DT Gaien	2,430	0.7	February 1990	2,571.73	100.0	
	Nihonbashi East Building	1,720	0.5	October 1989	2,242.71	100.0	
	Yoyogi Forest Building	1,473	0.4	June 1987	1,909.30	99.4	
	Round-Cross Minami Azabu	1,394	0.4	May 1992	3,170.48	93.9	
	Round-Cross Akasaka	2,624	0.8	October 1978	2,785.44	90.3	
	Round-Cross Mita	1,748	0.5	May 1990	2,296.61	98.0	
	Shiba Daimon Building	2,195	0.6	October 1988	2,588.50	100.0	
	Round-Cross Tsukiji	3,378	1.0	May 1992	3,997.45	97.5	
	ORIX Shiba 2-chome Building	7,500	2.2	January 2003	6,753.13	90.8	
	Aoyama 246 Building	5,200	1.5	November 1990	2,407.35	100.0	
	Round-Cross Shinjuku	8,020	2.3	October 2005	4,736.15	100.0	
	Seafort Square Center Building	18,000	5.3	June 1992	22,033.84	86.3	
	ORIX Akasaka 2-chome Building	21,860	6.4	November 2004	10,296.05	100.0	
	Round-Cross Shinjuku 5-chome	4,500	1.3	October 2006	3,089.29	100.0	
	Nihonbashi Honcho 1-chome Building	10,500	3.1	March 2006	5,099.70	100.0	
	ST WORLD Building	3,500	1.0	March 2007	1,550.86	100.0	
	ORIX Suidobashi Building	3,000	0.9	October 2005	2,087.65	100.0	
	ORIX Shinagawa Building	15,200	4.4	June 2006	5,616.58	88.8	
	ORIX Real Estate Nishi Shinjuku Building	13,600	4.0	April 2007	7,059.20	100.0	
	OX Tamachi Building	6,730	2.0	January 1986	6,166.99	95.2	
	Remaining Tokyo Wards	Carrot Tower	5,479	1.6	November 1996	6,937.21	100.0
		Toyo MK Building	5,270	1.5	April 1997	9,815.95	100.0
Beside Kiba		2,450	0.7	August 1991	4,804.28	74.7	
ORIX Ikebukuro Building		9,577	2.8	July 2002	5,539.92	100.0	
Round-Cross Kamata		5,640	1.6	February 1994	7,855.74	100.0	
KN Jiyugaoka Plaza		3,110	0.9	December 2001	1,231.62	100.0	
ORIX Meguro Building		6,350	1.9	January 1996	6,117.66	100.0	
	Akihabara Business Center	5,060	1.5	October 2009	4,260.21	100.0	
Other Parts of the Greater Tokyo Area	Neo City Mitaka	2,200	0.6	September 1993	4,621.59	100.0	
	Round-Cross Kawasaki	4,130	1.2	January 1993	5,521.52	89.3	
	Omiya Miyacho Building	4,400	1.3	September 2008	4,062.92	100.0	
	Omiya Shimocho 1-chome Building	3,750	1.1	August 2009	4,912.79	94.0	

Notes:

- Share in total acquisition price and occupancy rate are rounded to the first decimal place, and may not necessarily add up to totals due to rounding.
- Properties newly acquired during the 19th period or later are presented in red. OJR acquired Maruetsu Sagamino on March 1, 2011, Akihabara Business Center, We Will Hatchobori,

Use / Area	Property	Acquisition Price (Millions of yen)	Share in Total Acquisition Price (%)	Completion	Total Rentable Area (m ²)	Occupancy Rate (%)
Offices						
Other Areas	Nagoya Itochu Building	¥ 4,500	1.3	February 1981	11,208.24	95.0
	ORIX Koraibashi Building	5,560	1.6	July 2004	6,857.87	100.0
	Lunar Sendai	8,500	2.5	February 1998	9,954.76	95.3
	ORIX Nagoya Nishiki Building	12,500	3.7	January 2007	10,254.97	74.1
	ORE Sapporo Building	4,250	1.2	November 2008	11,672.41	99.2
	ORIX Kobe Sannomiya Building	3,800	1.1	September 2009	6,252.85	98.2
	Offices Total	242,305	70.8	—	229,705.64	94.8
Logistics Facilities						
Other Parts of the Greater Tokyo Area	Koshigaya Logistics Center	4,000	1.2	January 2006	19,200.00	100.0
	Toda Logistics Center	9,600	2.8	March 2005	36,158.60	100.0
	Ichikawa Logistics Center	8,300	2.4	June 2008	37,456.96	100.0
Other Areas	Sakai Logistics Center North Building	10,200	3.0	July 2009	64,004.80	100.0
	Komaki Logistics Center	2,700	0.8	September 2010	18,089.76	100.0
	Logistics Facilities Total	34,800	10.2	—	174,910.12	100.0
Retail Facilities						
6 Central Tokyo Wards	Nihon Jisho Minami Aoyama Building	2,548	0.7	November 1997	985.36	100.0
	CUBE Daikanyama	2,435	0.7	January 2003	899.82	100.0
Other Parts of the Greater Tokyo Area	aune Kohoku	4,000	1.2	March 2008	5,706.72	97.5
	aune Makuhari	3,600	1.1	February 2008	5,749.05	100.0
	Maruetsu Sagamino	2,350	0.7	November 2005	8,250.89	100.0
Other Areas	Kobe Momoyamadai Shopping Center (Site)	3,260	1.0	—	42,123.17	100.0
	Okayama Kume Retail Facility	2,750	0.8	November 2009	11,822.08	100.0
	Retail Facilities Total	20,943	6.1	—	75,537.09	99.8
Residential Properties						
6 Central Tokyo Wards	Park Axis Nishi Azabu Stage	1,219	0.4	April 2000	1,337.31	95.9
	Shibaura Island Bloom Tower	5,550	1.6	September 2008	12,263.80	95.6
	We Will Hatchobori	2,370	0.7	March 2008	3,065.89	73.8
	Shibaura Island Air Tower	6,030	1.8	March 2007	13,097.69	93.5
Remaining Tokyo Wards	Belle Face Kamata	3,550	1.0	November 2006	6,187.52	82.7
	Belle Face Hongo Yumicho	3,340	1.0	November 2006	4,349.82	98.4
Other Areas	Belle Face Osaka Shinmachi	3,684	1.1	February 2008	8,831.38	95.8
	Belle Face Amagasaki	3,440	1.0	February 2009	7,459.89	100.0
	Residential Properties Total	29,183	8.5	—	56,593.30	93.4
Others						
Other Parts of the Greater Tokyo Area	Cross Gate	15,040	4.4	September 2000	25,840.54	95.9
	Others Total	15,040	4.4	—	25,840.54	95.9
	Grand Total	¥342,271	100.0	—	562,586.69	97.0

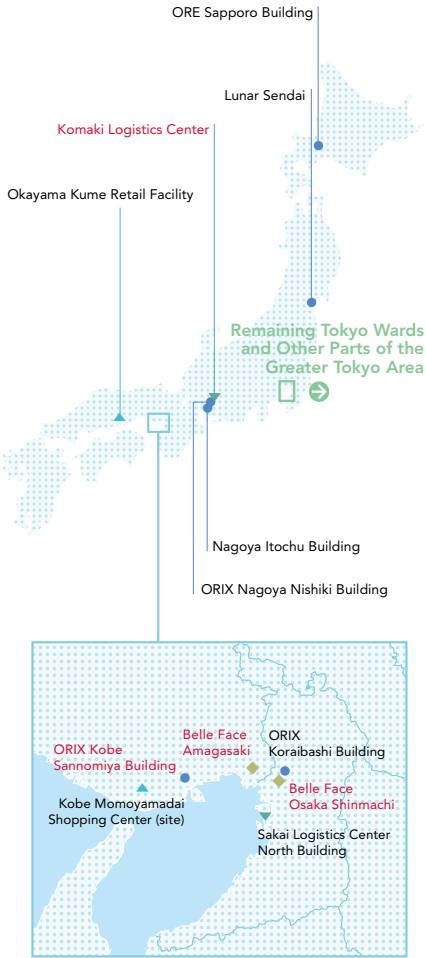
Belle Face Kamata, Belle Face Hongo Yumicho, Belle Face Osaka Shinmachi and Belle Face Amagasaki on June 1, 2011, the Komaki Logistics Center on June 30, 2011, Shibaura Island Air Tower on July 28, 2011, and the ORIX Kobe Sannomiya Building on September 29, 2011.

3. OJR sold Round-Cross Moto Yoyogi on March 1, 2011.



Portfolio Map

Other Areas



Remaining Tokyo Wards and Other Parts of the Greater Tokyo Area



- Offices
- ▼ Logistics Facilities
- ▲ Retail Facilities
- ◆ Residential Properties
- Others
- +— JR Lines
- Subway Tozai Line
- Subway Chiyoda Line
- Subway Ginza Line
- Subway Hibiya Line
- Subway Nanboku Line
- Subway Mita Line
- Subway Asakusa Line
- Subway Oedo Line
- Private Line Tokyu Den-en-toshi Line
- Private Line Tokyu Toyoko Line

6 Central Tokyo Wards





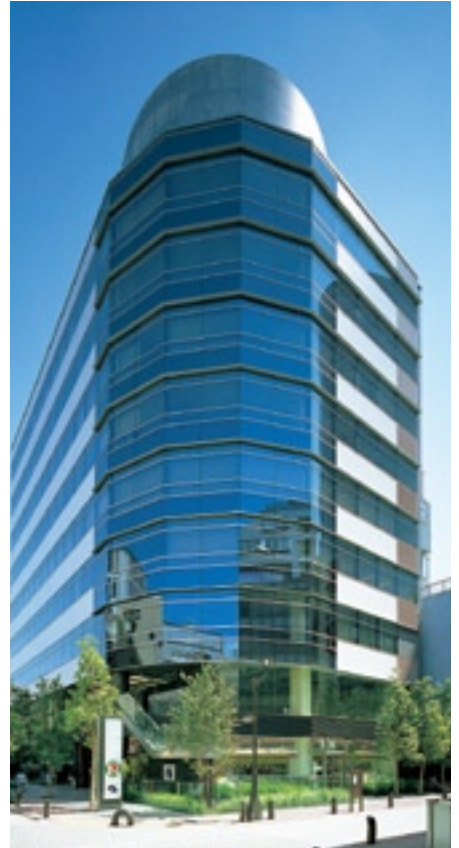
Main Properties in the Greater Tokyo Area



ORIX Akasaka 2-chome Building

Seafort Square Center Building

ORIX Shinagawa Building





ORIX Real Estate
Nishi Shinjuku Building



Nihonbashi Honcho
1-chome Building



Toda Logistics Center





Main Properties in the Greater Tokyo Area



ORIX Ikebukuro Building



Round-Cross Shinjuku



ORIX Shiba 2-chome Building



Carrot Tower



Round-Cross Shinjuku 5-chome



Akihabara Business Center



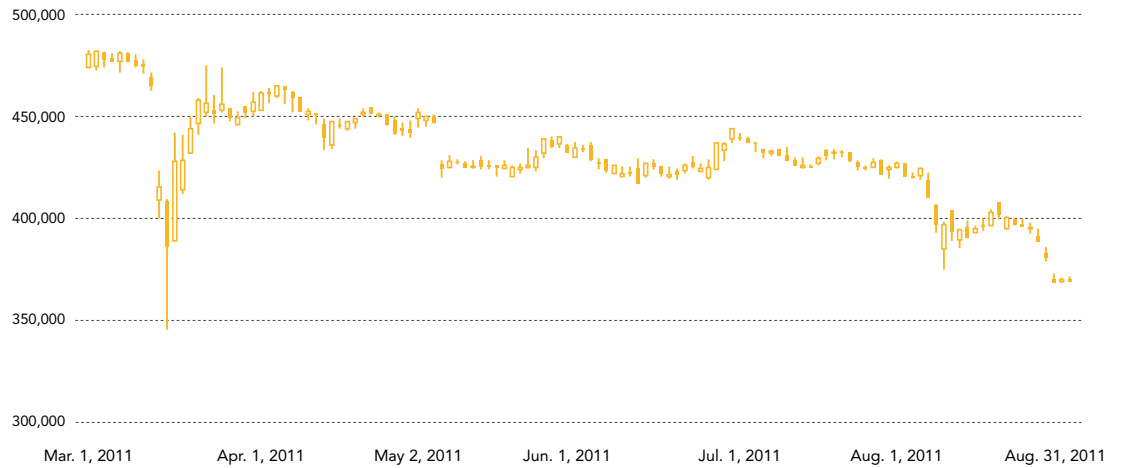


Unit Information

The changes of unit price and transaction volume on the Tokyo Stock Exchange from March 1, 2011 to August 31, 2011 (the last trading day during the period) are as follows.

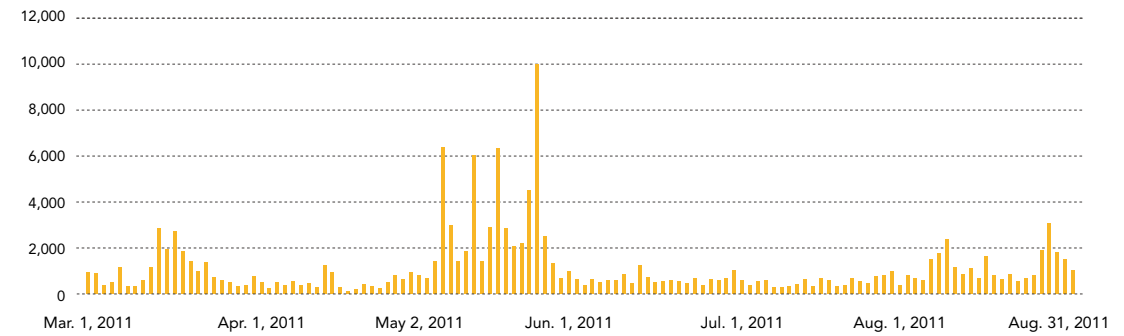
Unit price

(Yen)



Transaction volume

(Unit)

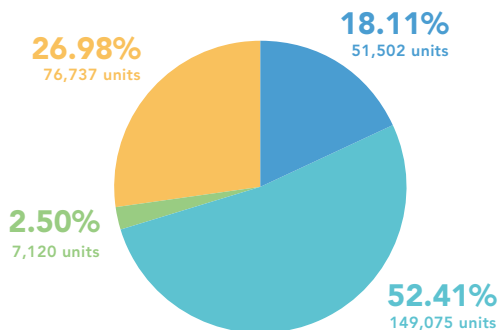


Number of units by unitholder type

(As of August 31, 2011)

Total 284,434 units

- Individuals and Others
- Financial Institutions (including securities brokers)
- Other Corporate
- Overseas Investors

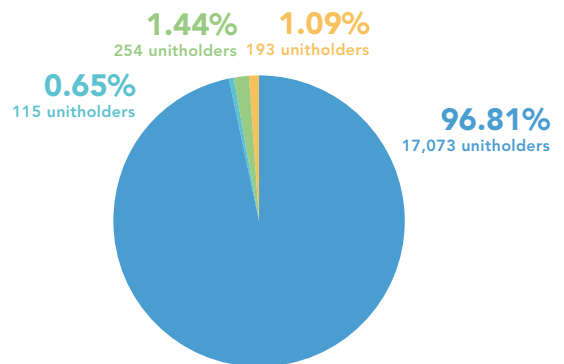


Number of unitholders by unitholder type

(As of August 31, 2011)

Total 17,635 unitholders

- Individuals and Others
- Financial Institutions (including securities brokers)
- Other Corporate
- Overseas Investors



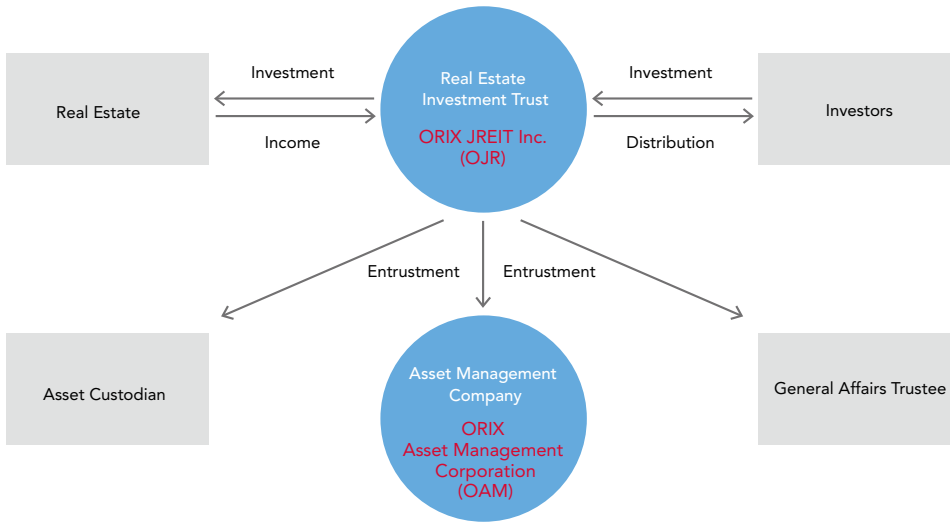
Note: Percentages in the above graphs are rounded to the second decimal place. Total amounts do not necessarily come to 100% due to rounding.



Outline of OJR and its Asset Management Company

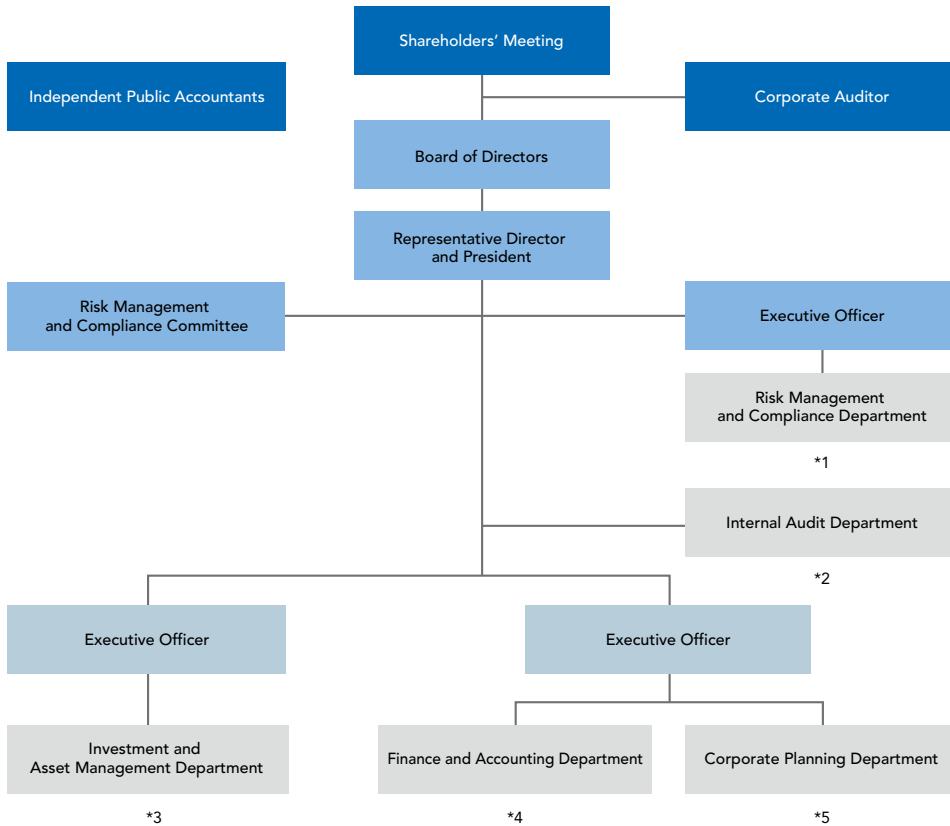
Structure

Japanese real estate investment trusts, so called J-REITs, are closed-end investment funds that primarily invest in real estate or real-estate-backed securities and deliver distribution to unitholders from rental income and capital gains from asset sales, etc. The Law Concerning Investment Trusts and Investment Corporation requires J-REITs to be managed by an external entity.



Organization of OAM

(As of October 21, 2011)



- *1
Risk Management and Compliance Department
[Major Assignments]
1. Risk management and compliance
2. Legal affairs
3. Property assessment
- *2
Internal Audit Department
[Major Assignments]
1. Conducting of internal audits
2. Formulation of audit plans
- *3
Investment and Asset Management Department
[Major Assignments]
1. Strategy planning
2. Acquisition and disposition of properties
3. Property management
4. Real estate market research
- *4
Finance and Accounting Department
[Major Assignments]
1. Accounting and tax
2. Proposals regarding debt finance
3. Accounting, tax, general affairs and personnel affairs of OAM
- *5
Corporate Planning Department
[Major Assignments]
1. Corporate planning
2. Support for committees, etc.
3. Investor relations
4. Proposals regarding equity finance

I Performance Report

■ Investment Performance Overview

- 1. Financial Highlights**
- 2. Performance Review for Current Period**

■ Fund Overview

- 1. Capitalization**
- 2. Major Unitholders**
- 3. Unitholder Type**

■ Portfolio Overview

- 1. Portfolio Summary**
- 2. Selected Property Data**
- 3. Selected Financial Data by Property**
- 4. Major Tenants**

■ Capital Expenditure

- 1. Projects – 20th Period Onward**
- 2. Results – 19th Period**
- 3. Cash Reserve for Capital Improvements**

■ Administrative Expenses

■ Transaction Activities during Current Period

- 1. Real Estate and Real Estate Held in Trust**
- 2. Other Assets**
- 3. Transactions with Related Parties and Major Shareholders of Asset Management Company**

■ Investment Performance Overview

1. Financial Highlights

		18th Period From September 1, 2010 to February 28, 2011	19th Period From March 1, 2011 to August 31, 2011
(In millions of yen, except per unit data or where otherwise indicated)			
Operating revenues		¥ 10,741	¥ 11,533
Rental revenues		9,514	9,997
Other operating revenues		1,227	1,205
Gains on sale of real estate properties		—	331
Operating expenses		5,951	6,570
Property-related expenses		4,946	5,582
Loss on sale of real estate properties		50	—
Operating income		4,790	4,963
Ordinary income		3,293	3,246
Net income		3,292	3,309
Total assets	(a)	318,739	341,515
Net assets	(b)	141,373	154,472
Unitholders' capital		137,814	150,896
Total number of units issued (units)	(c)	251,622	284,434
Net assets per unit (Yen)	(b)/(c)	561,847	543,084
Total cash distribution	(d)	3,292	3,576
Distribution per unit (Yen)	(d)/(c)	13,083	12,571
Distribution of retained earnings per unit (Yen)		13,083	12,571
Distribution in excess of retained earnings per unit (Yen)		—	—
ROA (%) ⁽¹⁾		1.1(2.1)	1.0(2.0)
ROE (%) ⁽¹⁾		2.3(4.6)	2.2(4.5)
Equity ratio (%)	(b)/(a)	44.4	45.2
Payout ratio (%) ⁽¹⁾⁽⁴⁾		100.0	102.1
<i>Supplemental Information</i>			
Number of real estate properties		54	62
Number of tenants ⁽³⁾		408	443
Total rentable area (m ²) ⁽³⁾		490,471.44	556,333.71
Occupancy rate (%) ⁽³⁾⁽⁵⁾		96.2	97.2
Depreciation		2,171	2,409
Capital expenditures		55	235
NOI from property leasing activity ⁽¹⁾⁽²⁾		8,041	8,114
FFO ⁽¹⁾⁽²⁾		5,537	5,717

Notes:

- These indicators are calculated according to the following formulas.
 ROA = Ordinary income divided by average total assets
 ROE = Net income divided by average net assets
 Payout ratio = Distribution per unit divided by Net income per unit
 *Net income per unit = Net income divided by the weighted average numbers of units outstanding
 NOI (Net Operating Income) from property leasing activity =
 Rental revenues + Other operating revenues + Depreciation – Property-related expenses
 FFO (Funds From Operation) = Net income + Depreciation
 Financial data included in the field have been prepared on a 6-month basis.
 However, the ratios in brackets represent annualized data.
- Rental revenues and property-related expenses include revenues from finance lease of property and cost of finance lease of property, respectively. NOI from property leasing activity and FFO are computed after adding the cost of finance lease of property.
- The number of tenants, the total rentable area, and the occupancy rate are computed, including properties recorded as investment in finance lease.
- The payout ratio is rounded down to the first decimal place.
- The occupancy rate is the proportion of rented space to the total rentable space at each period-end.
- Accounting data does not include consumption taxes.

2. Performance Review for Current Period

Major changes in the fund

During the 19th fiscal period, OJR acquired Maruetsu Sagamino (acquisition price: ¥2,350 million), Akihabara Business Center (acquisition price: ¥5,060 million), We Will Hatchobori (acquisition price: ¥2,370 million), Belle Face Kamata (acquisition price: ¥3,550 million), Belle Face Hongo Yumicho (acquisition price: ¥3,340 million), Belle Face Osaka Shinmachi (acquisition price: ¥3,684 million), Belle Face Amagasaki (acquisition price: ¥3,440 million), Komaki Logistics Center (acquisition price: ¥2,700 million) and Shibaura Island Air Tower (acquisition price: ¥6,030 million); and sold Round-Cross Moto Yoyogi (sales price: ¥4,807 million). As a result, OJR's portfolio included 62 properties as of August 31, 2011 (41 office buildings, 5 logistics centers, 7 retail facilities, 8 residential properties and 1 hotel), with 556,333.71 m² of total rentable floor space, 443 tenants and an occupancy rate of 97.2%. The invested amount (total of acquisition prices) was ¥338,471 million. Its book value and calculated price (appraisal value based on the evaluation by 6 appraisers) as of August 31, 2011 were ¥324,347 million and ¥314,556 million, respectively.

During the 20th fiscal period, OJR has acquired ORIX Kobe Sannomiya Building (acquisition price: ¥3,800 million). This acquisition brought the total number of properties to 63 and the invested amount (total of acquisition prices) to ¥342,271 million.

In the 19th period, operating revenues were ¥11,533 million and net income was ¥3,309 million. Total cash distribution was ¥3,576 million, the distribution per unit was ¥12,571 (compared to our estimated distribution per unit of ¥12,300, a 2.2% increase), and the distribution payout ratio was 102.1%.

As of the end of the 19th period, total assets were ¥341,515 million, total interest-bearing liabilities were ¥167,418 million (long-term debt excluding investment corporation bonds: ¥140,418 million and investment corporation bonds: ¥27,000 million), net assets were ¥154,472 million, and net assets per unit were ¥543,084.

The issuance of new investment units

In the 19th period, matters concerning the issuance of new investment units through a public offering and through third party allotment were resolved at the OJR's board of directors' meeting held on May 9, 2011; proceeds were paid in full on May 25, 2011 for the 31,250 units through a public offering and on June 24, 2011 for the 1,562 units through third party allotment. As a result, the unitholders' capital is now ¥150,896 million, and the total number of units is 284,434.

OJR allocated the full amount of the proceeds from the public offering (¥12,459 million) as a part of the funds to acquire six properties (Akihabara Business Center, We Will Hatchobori, Belle Face Hongo Yumicho, Belle Face Kamata, Belle Face Osaka Shinmachi, and Belle Face Amagasaki). OJR also allocated the full amount of the proceeds from the issue of new investment units through third-party allotment (¥623 million) to repay short-term borrowings.

Business environment and fund performance

Japanese economy

The monthly economic report of October 2011 issued by the Japanese government stated that the Japanese economy was still picking up although the pace decelerated, while difficulties continued to prevail due to the Great East Japan Earthquake. Specifically, the government reported: (i) industrial production picking up at a decelerating pace and leveling off of export, (ii) increased corporate profits and business investment leveling off after the weakness due to the earthquake disaster, (iii) overall business sentiment improving despite a dismal view of small and medium-sized enterprises, (iv) continued severe employment situation partly due to the earthquake disaster with some signs of recovery, (v) private consumption almost leveling off, (vi) recent price developments showing the Japanese economy in a mild deflationary phase.

As for short-term prospects, the same report stated that reflecting supply chain reconstruction and the effects of policy measures, the Japanese economy is expected to continue to pick up. However, there are downside risks that could stem from constraints of electric power supply, the consequences of the nuclear accident, further slowing down of less resilient overseas economies, and volatile fluctuations in exchange rates and stock prices. It should also be noted that there is still a risk of the adverse effects of deflation on the economy and a concern about a possible deterioration of the employment situation.

Overview of the real estate market relating to our portfolio

[Sales market]

While physical damage to investment properties from the Great East Japan Earthquake was minimal, several previously unrecognized risk factors, such as electricity supply shortages and the spread of radiation, impacted the real estate sales market.

In the real estate leasing market, which had been showing signs of recovery, further improvement in rental demand and rent income was delayed due to the postponement of relocations because of the earthquake disaster.

On the other hand, there were no significant changes in the debt financing environment. Although total loan exposure to the real estate (lease) industry by domestic banks decreased slightly from the previous year, the comparatively favorable debt financing environment continued.

The risks exposed by the disaster and the delay in recovery of rent income caused participants in the sales market to take a wait-and-see attitude. However, J-REITs actively acquired new properties utilizing funds raised via capital increase after the disaster, resulting in a significant increase of their presence in the sales market.

Furthermore, investors' expected cap rates have shown a tendency to stay flat in office buildings and to decline in rental apartments, according to a post-disaster survey. Potential economic recovery in the near future is likely to improve the number of transactions and lower the cap rates.

[Offices]

Lease market:

•Tokyo

Immediately after the Great East Japan Earthquake hit, some tenants transferred part of their office functions in Tokyo to regional cities, but most later returned to Tokyo. Looking at the movements overall, the impact from the earthquake disaster was minimal.

Since things have stabilized after the earthquake disaster, demand for rental office space has been gradually increasing due to a rise in the number of tenants reflecting the increasing perception that rents in Tokyo are underpriced. However, as the demand is not higher than the volume of new supply of leasable office space, the vacancy ratio remains high. It is anticipated that the vacancy ratio will decline in central Tokyo in the immediate future, given the strong perception that rents in Tokyo are underpriced.

•Osaka

The vacancy ratio decreased slightly, due to the expansion of leased floor space in existing leased buildings and new incoming tenants relocating to Osaka mainly for the purpose of integration and consolidation. On the other hand, vacant space increased significantly as several newly constructed buildings with unoccupied rental space came on the market.

Demand is unlikely to exceed the volume of new supply of leasable office space for the time being, and the vacancy ratio is expected to remain unchanged.

•Nagoya

A newly constructed building was fully occupied, and several relatively new or large-sized existing buildings with extensive vacant space were occupied mainly as a result of relocation demand due to reconstruction. In addition, the current rent level has been increasingly perceived as underpriced reflecting large recent rent reductions. Under these circumstances, the vacancy ratio dropped consistently although modestly. The small volume of new supply is likely to slightly lower the vacancy ratio. However, seemingly, it will take some time for rental income to recover.

•Sendai

Immediately after the Great East Japan Earthquake struck, the vacancy ratio declined significantly due to a number of reasons including an inflow of tenants into central Sendai, an influx of people working on recovery and reconstruction efforts, and the suspension of tenant recruitment in damaged buildings.

This was a temporary improvement in demand, and the pace of fall in the vacancy ratio has slowed down as some of the damaged buildings have reopened to tenants.

Although the vacancy ratio shows some improvement, it is expected that the situation of excess vacancies will continue, given that tenants remain well-positioned to negotiate favorable rents.

•Sapporo

Tenant movements show that Sapporo can be characterized as a shrinking real estate leasing market, as seen in moves to self-owned buildings as well as reductions in office space within the same building.

The vacancy ratio improved on a temporary basis thanks to the effect of the opening of the Sapporo Underground Pedestrian Space Station Road between Sapporo Station and Odori Station (subway). However, the vacancy ratio began to rise again after the opening lost its novelty value.

Overall, the tough situation is expected to persist until the supply-demand balance improves.

[Logistics Facilities]

The supply-demand balance in the logistics market has been improving since 2010, reflecting strong demand combined with a restricted volume of new supply. Vacant space in the Tokyo metropolitan area dropped sharply, due to the increased demand for temporary distribution space caused by damage to facilities and equipment in existing logistics bases, mainly in the Tohoku area, immediately after the earthquake. It is expected that the vacancy ratio will return to normal over time in accordance with the recovery and reconstruction of the existing

logistics bases. However, given that demand is consistent and the volume of new supply in 2011 restricted, the tight supply and demand balance will continue.

On the other hand, asking rents in key logistics areas have stayed flat since 2008 due to the strong cost reduction awareness of new tenants. However, with the improvement of supply and demand balance in the leasing market, some areas with potential demand might show signs of recovery over time.

[Retail Facilities]

Retail sales had increased, generally on a year-on-year basis up till 2010. However, the situation changed suddenly due to the Great East Japan Earthquake.

The earthquake caused a steep downturn in consumer confidence, resulting in a sharp decrease in revenues for retailers of high-end goods and restaurant/entertainment-related services. However, consumption of living-related goods (food and daily necessities sold at electronics retail stores and do-it-yourself stores) grew.

From April 2011, retailers' monthly revenues, particularly in merchandise, recovered to a level exceeding the same month in the previous year, due to the reaction to the pent-up buying demand because of the previous pullbacks in consumer spending, and also the influence of the aggressive marketing and sales campaigns conducted by retailers. Restaurants' revenues, however, remained flat or fell slightly on a year-on-year basis, although they have recovered rapidly since April 2011.

For real estate operators, it remains essential to assess each tenant's capacity to pay rent.

[Residential Properties]

Demand for rental apartments in the Tokyo 23 wards has been steady and the supply-demand balance is currently improving due to the limited new supply and rent adjustments. Therefore, rents have stopped falling in some areas. The Great East Japan Earthquake took place against this backdrop, but it did not have a significant impact on the supply-demand balance for rental apartments in Tokyo.

Since the number of newly constructed apartments in central Tokyo remains at a low level, the rents of some properties should stop falling in the light of the tight supply-demand balance. However, given that the tenants' capacity to pay the rents have not improved, a recovery in rental income is unlikely for the time being.

New acquisitions

As of October 21, 2011

Maruetsu Sagamino	<p>Acquisition price: ¥2,350 million Acquisition date: March 1, 2011</p> <p>This property is located about a four-minute walk from Sagamino Station on the Sagami Railway Main Line, in the east of Ebina City in Kanagawa Prefecture. It also offers easy access by car. These locational advantages will help attract a large number of shoppers to this local mall.</p> <p>This property is a retail facility completed in November 2005. The entire property is leased out under a long-term lease agreement to The Maruetsu Inc., a supermarket chain operator in the greater Tokyo area. The first floor is allocated as a grocery section, and the second floor accommodates tenants subleased by Maruetsu, including stores that deal with daily necessities such as a drug store and an everyday clothing store, as well as a dentist and restaurants. It is a highly convenient retail facility compared with its competitors in the neighborhood since shoppers can satisfy all their daily needs at a one-stop.</p>
Akihabara Business Center	<p>Acquisition price: ¥5,060 million Acquisition date: June 1, 2011</p> <p>This property is a new office building completed in October 2009. It is about a five-minute walk from JR Akihabara Station and Suehirocho Station on the Tokyo Metropolitan Subway, and is easily accessible by train.</p>
We Will Hatchobori	<p>Acquisition price: ¥2,370 million Acquisition date: June 1, 2011</p> <p>This property is located near the exit of the Hatchobori Station on the JR line and Tokyo Metropolitan Subway. It has a total of 55 rentable units that offer floor plans mainly consisting of studio units and "1LDK" units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).</p>

Belle Face Kamata	<p>Acquisition price: ¥3,550 million Acquisition date: June 1, 2011</p> <p>This property is located about a six-minute walk from JR Kamata Station and a five-minute walk from Keikyu Kamata Station on the Keikyu Line. It has a total of 210 rentable units that offer floor plans chiefly consisting of “1K” units (the local terminology indicating a studio with a door separating the kitchen area.)</p>
Belle Face Hongo Yumicho	<p>Acquisition price: ¥3,340 million Acquisition date: June 1, 2011</p> <p>This property is located about a four-minute walk from Suidobashi Station on the Toei Subway Line. Five stations on five train lines are available for transportation. It has a total of 122 rentable units with floor plans primarily consisting of studio units and “1LDK” units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).</p>
Belle Face Osaka Shinmachi	<p>Acquisition price: ¥3,684 million Acquisition date: June 1, 2011</p> <p>This property is located about a five-minute walk from Nishi-Ohashi Station on the Osaka Municipal Subway Line. It has a total of 177 rentable units with various types of units from “1K” units (the local terminology indicating a studio with a door separating the kitchen area) to “3LDK” units (the local terminology indicating a separate living room, dining/kitchen room and three bedrooms).</p>
Belle Face Amagasaki	<p>Acquisition price: ¥3,440 million Acquisition date: June 1, 2011</p> <p>This property is located about a seven-minute walk from JR Amagasaki Station, via a pedestrian deck directly connected to the station. It has a total of 207 rentable units with floor plans consisting of “1K” units (the local terminology indicating a studio with a door separating the kitchen area.) and “1LDK” units (the local terminology indicating a separate living room, dining/kitchen room and one bedroom).</p>
Komaki Logistics Center	<p>Acquisition price: ¥2,700 million Acquisition date: June 30, 2011</p> <p>The Komaki Area where this property is located is highly accessible by car as it is the junction point of the Tomei and Meishin expressways. The area has developed as a key logistics base in the inland Nagoya region. It is expected that this area will continue to enjoy strong demand as a logistics center since it offers easy access to the Greater Tokyo Area and Kinki Region.</p> <p>Located about 1.4km from the Komaki Interchange of Tomei and Meishin expressways, and with its easy access to the urban districts of Nagoya City, this property boasts excellent accessibility as a logistics site near the Nagoya region. The favorable conditions for logistics operations include the availability of the around-the-clock operations and ease of securing the necessary workforce. Completed in September 2010, this property is a newly built logistics facility that offers versatile use with upscale specifications enabling to meet the needs of tenants.</p>
Shibaura Island Air Tower	<p>Acquisition price: ¥6,030 million Acquisition date: July 28, 2011</p> <p>This property consists of two buildings—Air Tower, residential units for rent; and Air Terrace occupied by retail outlets. It is located a roughly eight-minute walk from JR Tamachi Station, a nine-minute walk from Mita Station on the Toei Subway Line and from Shibaurafuto Station on the Yurikamome Line. It is located in the Shibaura Island district, an area offering easy access to business and commercial centers in central Tokyo.</p> <p>Completed in 2007, the 48-story Air Tower is a recently-built high-rise residential property. It has a total of 871 rentable units that offers a variety of floor plans from studio units to “3LDK” units (the local terminology indicating a separate living room, dining room, kitchen and three bedrooms). Good security, including an around-the-clock manned property management service, is available. Common facilities such as a concierge service counter and a party room are available in the</p>

	<p>Clubhouse Building connected via deck passageway.</p> <p>Air Terrace, a two-story building is directly connected to the second floor of Air Tower (residential units for rent) via a deck passageway. It accommodates six tenants including a supermarket, medical clinic, a nursery facility and restaurants.</p>
ORIX Kobe Sannomiya Building	<p>Acquisition price: ¥3,800 million Acquisition date: September 29, 2011</p> <p>This property is located a roughly five-minute walk from JR Sannomiya Station. With multiple railways available, including JR, private railways and subways, as well as Port Liner, the Sannomiya area offers easy access to the entire Kansai region and within Kobe City. It also offers easy access to Shin-Kobe Station on the Sanyo Shinkansen Line and Kobe Airport, and serves as a business and commercial center in Kobe. Companies operating mainly in Hyogo Prefecture and Kobe area are based in this area and a number of branch offices, sales offices, business hotels, as well as retail facilities are concentrated in this area. Completed in 2009, this property is a recently built office building. It offers high specifications with the standard floor having a leasing space of about 164 tsubo (approx. 543m²), pillar-free floors, a ceiling height of 2,800mm and a raised access floor of 100mm. In addition, an automated parking space for a total of 40 cars, separate air-conditioning systems, and an automatic security system are available. The standard floor offers the option to divide a single floor into up to five subsections, allowing for a variety of demands.</p>

Financing activities

[In the 19th Period]

OJR is aiming for a strategic approach towards unsecured loans, switching to fixed-interest rate loans, diversifying repayment periods, and reducing fund procurement cost in line with the monetary environment.

As such, the following financing activities were implemented.

Equity Finance:

On May 25, 2011, OJR issued an additional 31,250 investment units for ¥12,459 million through a public offering, and on June 24, 2011, OJR issued an additional 1,562 investment units for ¥623 million through a third party allotment to fund the acquisition of new properties and the repayment of loans.

Debt Finance:

On March 30, 2011, OJR procured a fixed-interest, unsecured long-term loan of ¥13,300 million from a number of financial institutions for the repayment of commitment line-based short-term loans approaching their due dates. On April 27, 2011, OJR procured a fixed-rate, unsecured long-term loan of ¥17,000 million from a number of financial institutions for the repayment of long-term loans approaching their due dates. On June 27, 2011, OJR procured a fixed-rate, unsecured long-term loan of ¥15,000 million from a number of financial institutions for the repayment of long-term loans approaching their due dates. On June 30, 2011, OJR took out a variable-rate, unsecured short-term loan of ¥2,830 million based on a commitment line to fund the acquisition of Komaki Logistics Center. On July 27, 2011, OJR procured a fixed rate, unsecured long-term loan of ¥5,000 million from a number of financial institutions, as well as a fixed rate, unsecured long-term loan of ¥4,000 million from the Development Bank of Japan, both to fund the repayment of the aforementioned commitment line loan and the acquisition of Shibaura Island Air Tower. On June 14, 2011, OJR concluded a memorandum with three financial institutions to extend the term of its commitment line, and the balance of its borrowing stood at zero as of August 31, 2011.

As a result, as of August 31, 2011, loans outstanding stood at ¥140,418 million and investment corporation bonds stood at ¥27,000 million, and interest-bearing debt totaled ¥167,418 million. The interest-bearing debt ratio was 52.6%, the fixed-rate debt ratio was 97.9%, and the long-term debt (except long term debt due within one year) ratio was 87.9%.

[Rating agency and Details of ratings]

OJR's credit ratings as of October 21, 2011 were as shown below.

Rating agency	Details of ratings
Standard & Poor's Ratings Japan K.K.	Long-term corporate credit rating: A- Short-term corporate credit rating: A-2 Outlook: Stable
Rating and Investment Information, Inc.	Issuer rating: A+ Rating outlook: Stable
Japan Credit Rating Agency, Ltd.	Long-term senior debt ratings: AA- Rating outlook: Stable

[In the 20th Period (ending February 2012)]

Debt Finance:

OJR took out ¥1,000 million in long term loan (fixed rate, unsecured) on September 28, 2011 from Aozora Bank, Ltd. Furthermore, OJR took out ¥1,000 million in long term loans (fixed rate, unsecured) on September 28, 2011 from Resona Bank, Limited and ¥1,900 million in long term loans (fixed rate, unsecured) on September 28, 2011 from Shinsei Bank, Limited. All the loans above were taken out for the purchase of the ORIX Kobe Sannomiya Building.

Financial results and distribution

OJR recorded operating revenues of ¥11,533 million and net income of ¥3,309 million for the period ended August 31, 2011.

The distribution in cash can be tax-deductible under Article 67-15 of the Special Taxation Measures Law, which requires a payout ratio of more than 90%. Based on this distribution policy, OJR has determined to pay out a distribution in cash of ¥3,576 million, which is nearly equal to the unappropriated retained earnings after adding the amount of the reversal of the reserve for advanced depreciation of non-current assets in the 20th period. As a result, the distribution per unit was ¥12,571.

■ Fund Overview

1. Capitalization

Paid-in capital

In the 19th period (the six months ended August 31, 2011), OJR issued 31,250 new units through a public offering, and 1,562 new units through third party allotment. As a result, the number of investment units outstanding increased to 284,434 and the total amount of unitholders' capital increased to ¥150,896 million. The following table shows capital increases carried out in recent five years.

Date	Remarks	Investment Units Outstanding		Paid-in Capital (In millions of yen)	
		Increase	Balance	Increase	Balance
October 3, 2007	Additional Issuance of Units ⁽¹⁾	25,000	250,372	¥16,147	¥137,007
October 30, 2007	Third party allotment ⁽²⁾	1,250	251,622	807	137,814
May 25, 2011	Additional Issuance of Units ⁽³⁾	31,250	282,872	12,459	150,273
June 24, 2011	Third party allotment ⁽⁴⁾	1,562	284,434	623	150,896

Notes:

1. Third public equity offering of 25,000 new units at ¥668,360 per unit (issue price per unit was ¥645,854) to repay debt.
2. Along with the public offering of note 1, additional 1,250 units were allocated through private placement at ¥645,854 per unit.
3. Fourth public equity offering of 31,250 new units at ¥412,735 per unit (issue price per unit was ¥398,693) to acquire properties.
4. Along with the public offering of note 3, additional 1,562 units were allocated through private placement at ¥398,693 per unit.

Market price of OJR units

OJR's investment units are traded on the TSE JREIT section. The high and low closing prices per unit for the 18th and 19th periods are shown below in yen:

	From September 1, 2010 to February 28, 2011	From March 1, 2011 to August 31, 2011
High	¥537,000	¥482,000
Low	383,000	368,500

Overview of borrowings

(In millions of yen)

Category	Lender	Balance at beginning of the period	Balance at the period end	Average Interest rate (%) (1)	Due on	Use of funds	Repayment method	Note
Short-term loan (6)	The Sumitomo Trust and Banking Company, Limited	¥ 2,000	¥ —	Floating rate	March 1, 2011	(3)	Bullet payment	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	2,000	—	1.18258%				
	Mizuho Corporate Bank, Ltd.	1,000	—	(2)				
	Subtotal	5,000	—					
Short-term loan (7)	The Sumitomo Trust and Banking Company, Limited	3,320	—	Floating rate	March 1, 2011	(3)	Bullet payment	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	3,320	—	1.18000%				
	Mizuho Corporate Bank, Ltd.	1,660	—	(2)				
	Subtotal	8,300	—					
Short-term loan (8)	The Sumitomo Trust and Banking Company, Limited	—	—	Floating rate	March 30, 2011	(3)	Bullet payment	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	—	—	1.17635%				
	Mizuho Corporate Bank, Ltd.	—	—	(2)				
	Subtotal	—	—					
Short-term loan (9)	The Sumitomo Trust and Banking Company, Limited	—	—	Floating rate	June 27, 2011	(3)	Bullet payment	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	—	—	1.17217%				
	Mizuho Corporate Bank, Ltd.	—	—	(2)				
	Subtotal	—	—					
Short-term loan (10)	The Sumitomo Trust and Banking Company, Limited	—	—	Floating rate	July 28, 2011	(3)	Bullet payment	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	—	—	1.17795%				
	Mizuho Corporate Bank, Ltd.	—	—	(2)				
	Subtotal	—	—					
Short-term loan total		13,300	—					
Long-term loan (term loan 5) (11)	The Sumitomo Trust and Banking Company, Limited	4,000	—	Fixed rate 1.99541% (2)	April 27, 2011 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Sumitomo Mitsui Banking Corporation	3,500	—					
	Resona Bank, Limited.	2,300	—					
	Mitsubishi UFJ Trust and Banking Corporation	1,400	—					
	MITSUI LIFE INSURANCE COMPANY LIMITED	1,400	—					
	The Chiba Bank, Ltd.	1,400	—					
	The Hyakugo Bank, Ltd.	1,000	—					
	Aozora Bank, Ltd.	1,000	—					
	TAIYO LIFE INSURANCE COMPANY	1,000	—					
Subtotal	17,000	—						
Long-term loan (term loan 9) (12)	Mitsubishi UFJ Trust and Banking Corporation	4,000	—	Fixed rate 1.83429% (2)	June 27, 2011 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Sumitomo Mitsui Banking Corporation	4,000	—					
	The Sumitomo Trust and Banking Company, Limited	4,000	—					
	Mizuho Corporate Bank, Ltd.	3,000	—					
	Subtotal	15,000	—					
Long-term loan (term loan 7)	The Sumitomo Trust and Banking Company, Limited	6,000	6,000	Fixed rate 1.78543% (2)	March 19, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	5,500	5,500					
	Subtotal	11,500	11,500					

(In millions of yen)

Category	Lender	Balance at beginning of the period	Balance at the period end	Average Interest rate (%) (1)	Due on	Use of funds	Repayment method	Note
Long-term loan (term loan 8)	The Norinchukin Bank	¥ 8,500	¥ 8,500	Fixed rate 1.78543%	March 19, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan (term loan 11)	Sumitomo Mitsui Banking Corporation	2,000	2,000	Fixed rate 1.84365% (2)	September 19, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	1,000	1,000					
	The Sumitomo Trust and Banking Company, Limited	2,000	2,000					
	Subtotal	5,000	5,000					
Long-term loan (term loan 12)	The Sumitomo Trust and Banking Company, Limited	4,000	4,000	Fixed rate 1.71069% (2)	September 19, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	THE BANK OF FUKUOKA, LTD.	3,000	3,000					
	Subtotal	7,000	7,000					
Long-term loan (term loan 13)	The Shinkumi Federation Bank	3,000	3,000	Floating rate 1.24000% (2)	September 19, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	The Toho Bank, Ltd.	500	500					
	Subtotal	3,500	3,500					
Long-term loan	National Mutual Insurance Federation of Agricultural Cooperatives	3,000	3,000	Fixed rate 1.39875%	September 20, 2012 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan (term loan 14)	Mitsubishi UFJ Trust and Banking Corporation	1,000	1,000	Fixed rate 1.68798% (2)	March 19, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	The Sumitomo Trust and Banking Company, Limited	2,500	2,500					
	Sumitomo Mitsui Banking Corporation	4,200	4,200					
	ORIX Trust and Banking Corporation (13)	3,500	3,500					
	Mizuho Corporate Bank, Ltd.	1,800	1,800					
	The Shinkumi Federation Bank	1,000	1,000					
Subtotal	14,000	14,000						
Long-term loan	THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	1,000	1,000	Fixed rate 1.69052%	March 26, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan	National Mutual Insurance Federation of Agricultural Cooperatives	7,000	7,000	Fixed rate 2.19625%	April 26, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan	Development Bank of Japan	3,000	3,000	Fixed rate 1.94223%	July 31, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan (term loan 15)	Sumitomo Mitsui Banking Corporation	2,000	2,000	Fixed rate 1.45730% (2)	September 24, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Mitsubishi UFJ Trust and Banking Corporation	2,000	2,000					
	The Sumitomo Trust and Banking Company, Limited	1,500	1,500					
	Mizuho Corporate Bank, Ltd.	1,000	1,000					
	ShinGinko Tokyo, Limited	500	500					
	Subtotal	7,000	7,000					
Long-term loan	THE SHIZUOKA BANK, LTD.	1,000	1,000	Fixed rate 1.36000%	November 5, 2013 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan	Development Bank of Japan	4,687	4,562	Fixed rate 2.01000%	September 18, 2014 (4) (5)	(3)	Installment payment (4) (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan	Sumitomo Mitsui Banking Corporation	5,056	5,056	Fixed rate 1.93100%	June 17, 2015 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan	Development Bank of Japan	5,000	5,000	Fixed rate 1.69875%	July 29, 2015 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu

(In millions of yen)

Category	Lender	Balance at beginning of the period	Balance at the period end	Average Interest rate (%) (1)	Due on	Use of funds	Repayment method	Note
Long-term loan (term loan 17)	Mitsubishi UFJ Trust and Banking Corporation	¥ —	¥ 2,000	Fixed rate 1.66592% (2)	March 30, 2016	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Aozora Bank, Ltd.	—	2,700					
	THE NISHI-NIPPON CITY BANK, LTD.	—	1,800					
	Shinsei Bank, Limited	—	1,500					
	The Shinkumi Federation Bank	—	1,400					
	THE BANK OF FUKUOKA, LTD.	—	1,000					
	MITSUI LIFE INSURANCE COMPANY LIMITED	—	1,000					
	Resona Bank, Limited	—	1,000					
	THE SHIMANE BANK, LTD.	—	600					
	THE MINATO BANK, LTD.	—	300					
	Subtotal	—	13,300					
Long-term loan (term loan 16)	The Sumitomo Trust and Banking Company, Limited	—	4,000	Fixed rate 1.67203% (2)	April 27, 2016	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	Sumitomo Mitsui Banking Corporation	—	6,300					
	Mitsubishi UFJ Trust and Banking Corporation	—	1,400					
	Resona Bank, Limited	—	2,300					
	Aozora Bank, Ltd.	—	1,000					
	TAIYO LIFE INSURANCE COMPANY	—	1,000					
	The Hyakugo Bank, Ltd.	—	1,000					
	Subtotal	—	17,000					
Long-term loan (term loan 18)	Mitsubishi UFJ Trust and Banking Corporation	—	4,000	Fixed rate 1.58967% (2)	June 27, 2016 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	The Sumitomo Trust and Banking Company, Limited	—	4,000					
	Sumitomo Mitsui Banking Corporation	—	4,000					
	Mizuho Corporate Bank, Ltd.	—	3,000					
	Subtotal	—	15,000					
Long-term loan (term loan 19)	Aozora Bank, Ltd.	—	1,000	Fixed rate 1.56954% (2)	July 27, 2016	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
	THE KAGAWA BANK, LTD	—	1,000					
	Shinsei Bank, Limited	—	1,000					
	Resona Bank, Limited	—	1,000					
	The Shinkumi Federation Bank	—	400					
	THE SHIMANE BANK, LTD.	—	300					
	THE MINATO BANK, LTD.	—	300					
	Subtotal	—	5,000					
Long-term loan	Development Bank of Japan	—	4,000	Fixed rate 2.26875%	July 27, 2019 (5)	(3)	Bullet payment (5)	Un-Secured, Non-guaranteed, Pari passu
Long-term loan total		118,243	140,418					
Grand total of short-term and long-term loan		¥ 118,243	¥ 140,418					

Notes:

- The average interest rate is the weighted-average one based on debt amounts at the end of the period. The average interest rate relating to the debt hedged by an interest rate swap for the purpose of avoiding interest rate volatility risk is the weighted-average interest rate after reflecting the effect of the relevant interest rate swap.
- Same terms and conditions, including interest rates and maturities, apply to each lender of each debt category.
- All borrowings have been used to finance the acquisitions of real estate and real estate held in trust, or to refinance other debts.
- Installment payments of ¥62,500,000 will be made on the 20th day of every third month starting on December 20, 2009, with the remaining payment of ¥3,812,500,000 at maturity on September 18, 2014.
- The following table shows the total amounts of long-term loan to be repaid for each year:

(In millions of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years
Long-term loan	¥20,250	¥43,750	¥8,250	¥13,868	¥50,300

- OJR fully repaid short-term loan of ¥5,000 million on March 1, 2011.
- OJR fully repaid short-term loan of ¥8,300 million on March 1, 2011.
- OJR fully repaid short-term loan of ¥13,300 million on March 30, 2011.
- OJR fully repaid short-term loan of ¥1,000 million on June 27, 2011.
- OJR fully repaid short-term loan of ¥2,830 million on July 28, 2011.

11. OJR fully repaid long-term loan (term loan 5) of ¥17,000 million on April 27, 2011.
12. OJR fully repaid long-term loan (term loan 9) of ¥15,000 million on June 27, 2011.
13. ORIX Trust and Banking Corporation changed its name to ORIX Bank Corporation as of October 1, 2011.

Overview of bonds

(In millions of yen)

Bond name	Issue date	Balance at beginning of the period	Balance at the period end	Coupon (%)	Maturity date	Redemption	Use of proceeds	Note
The 1st unsecured bonds	February 25, 2010	¥12,000	¥12,000	2.08	February 25, 2013	Bullet payment	(1)	(4)
The 2nd unsecured bonds	August 12, 2010	5,000	5,000	1.44	August 12, 2014	Bullet payment	(2)	(4)
The 3rd unsecured bonds	November 18, 2010	5,000	5,000	1.58	November 18, 2015	Bullet payment	(3)	(4)
The 4th unsecured bonds	January 27, 2011	5,000	5,000	1.40	January 27, 2014	Bullet payment	(1)	(4)
Total		¥27,000	¥27,000					

Notes:

1. The bonds have been used to finance the acquisitions of real estate and real estate held in trust.
2. The bonds have been used to finance the acquisitions of real estate and real estate held in trust, and to refinance other debts.
3. The bonds have been used to refinance other debts.
4. The bonds were issued with pari passu conditions among specified investment corporation bonds.

2. Major unitholders

(As of August 31, 2011)

Name	Number of Units Owned	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust accounts)	33,574	11.80
The Nomura Trust and Banking Co., Ltd (Investment accounts)	22,704	7.98
Trust & Custody Services Bank, Ltd. (Securities investment trust accounts)	18,194	6.39
JP MORGAN CHASE BANK 385174	10,586	3.72
NOMURA BANK (LUXEMBOURG) S.A.	8,985	3.15
ORIX Life Insurance Corporation	8,905	3.13
The Master Trust Bank of Japan, Ltd. (Trust accounts)	6,843	2.40
AIG Star Life Insurance Co., Ltd. General account	5,656	1.98
American Life Insurance Company GA Company JPY	4,000	1.40
National Mutual Insurance Federation of Agricultural Cooperatives	3,901	1.37
Total	123,348	43.36

Note: Ratio of ownership, rounded down to the second decimal place, may not add up to totals due to rounding.

3. Unitholder Type

(As of August 31, 2011)

Unitholder type	Number of Unitholders	%	Number of Units	%
Domestic	17,442	98.91	207,697	73.02
Individuals and Others	17,073	96.81	51,502	18.11
Financial Institutions	115	0.65	149,075	52.41
Bank	23	0.13	23,551	8.28
Trust Bank	14	0.08	84,794	29.81
Life Insurance	9	0.05	21,093	7.42
Fire and Marine Insurance	4	0.02	5,591	1.97
Securities Brokers	29	0.16	5,263	1.85
Other Financial institutions	36	0.20	8,783	3.09
Other Corporate	254	1.44	7,120	2.50
Overseas	193	1.09	76,737	26.98
Total	17,635	100.00	284,434	100.00

Note: Individual ratio, rounded to the second decimal place, may not add up to totals due to rounding.

■ Portfolio Overview

1. Portfolio Summary

(As of August 31, 2011)

Asset Type	Area / Type	Amount ⁽¹⁾ (In millions of yen)	Percentage of total assets ⁽²⁾ (%)	
Real Estate and Real Estate Held in Trust	6 Central Tokyo Wards	Offices	¥141,242	41.36
		Logistics Facilities	—	—
		Retail Facilities	4,961	1.45
		Residential Properties	15,113	4.43
		Others	—	—
	Remaining Tokyo Wards	Offices	39,732	11.63
		Logistics Facilities	—	—
		Retail Facilities	—	—
		Residential Properties	6,963	2.04
		Others	—	—
	Other Parts of the Greater Tokyo Area	Offices	13,893	4.07
		Logistics Facilities	20,997	6.15
		Retail Facilities	9,847	2.88
		Residential Properties	—	—
		Others	11,614	3.40
	Other Areas	Offices	34,096	9.98
		Logistics Facilities	12,604	3.69
Retail Facilities		6,072	1.78	
Residential Properties		7,213	2.11	
Others		—	—	
Deposits and Other Assets		17,168	5.03	
Total Assets		¥341,515	100.00	

Notes:

1. Amounts are the book values as of the end of August 2011, after subtracting the accumulated depreciation. The amounts include the book value of property accounted for as investment in finance lease.
2. Percentage of total assets is rounded to the second decimal place. Individual numbers may not add up to 100% due to rounding.

2. Selected Property Data

(As of August 31, 2011)

	Area	Property Name	Total Rentable Area (㎡)	Appraisal Value ⁽¹⁾ (In millions of yen)	Share in Appraisal Value ⁽²⁾ (%)	Book Value (In millions of yen)	Share in Book Value ⁽²⁾⁽³⁾ (%)		
Offices	6 central Tokyo Wards	Aoyama Suncrest Building	2,768.55	¥ 3,740	1.19	¥ 3,478	1.02		
		Round-Cross Ichi-bancho	3,295.28	3,800	1.21	3,504	1.03		
		Round-Cross Nishi Shinjuku	1,227.51	2,640	0.84	2,515	0.74		
		Beside Shirogane	2,072.78	1,360	0.43	1,265	0.37		
		DT Gaien	2,571.73	2,060	0.65	2,276	0.67		
		Nihonbashi East Building	2,242.71	1,180	0.38	1,575	0.46		
		Yoyogi Forest Building	1,909.30	1,270	0.40	1,432	0.42		
		Round-Cross Minami Azabu	3,170.48	1,312	0.42	1,258	0.37		
		Round-Cross Akasaka	2,785.44	2,482	0.79	2,816	0.82		
		Round-Cross Mita	2,296.61	1,400	0.45	1,681	0.49		
		Shiba Daimon Building	2,588.50	2,260	0.72	2,161	0.63		
		Round-Cross Tsukiji	3,997.45	3,605	1.15	3,116	0.91		
		ORIX Shiba 2-chome Building	6,753.13	7,890	2.51	6,754	1.98		
		Aoyama 246 Building	2,407.35	6,859	2.18	5,412	1.58		
		Round-Cross Shinjuku	4,736.19	8,170	2.60	7,798	2.28		
		Seafort Square Center Building	22,033.84	14,480	4.60	17,147	5.02		
		ORIX Akasaka 2-chome Building	10,296.05	19,410	6.17	21,021	6.16		
		Round-Cross Shinjuku 5-chome	3,089.29	3,060	0.97	4,254	1.25		
		Nihonbashi Honcho 1-chome Building	5,099.70	8,420	2.68	10,118	2.96		
		ST WORLD Building	1,550.86	2,850	0.91	3,433	1.01		
		ORIX Suidobashi Building	2,087.65	2,550	0.81	2,921	0.86		
		ORIX Shinagawa Building	5,616.58	10,900	3.47	14,959	4.38		
		ORIX Real Estate Nishi Shinjuku Building	7,059.20	12,300	3.91	13,588	3.98		
		OX Tamachi Building	6,166.99	6,730	2.14	6,760	1.98		
				Subtotal	107,823.17	130,728	41.56	141,242	41.36
		Offices	Remaining Tokyo Wards	Carrot Tower	6,937.21	5,730	1.82	4,379	1.28
Toyo MK Building	9,815.95			5,100	1.62	4,327	1.27		
Beside Kiba	4,804.28			2,750	0.87	2,173	0.64		
ORIX Ikebukuro Building	5,539.92			10,740	3.41	8,738	2.56		
Round-Cross Kamata	7,855.74			5,913	1.88	5,381	1.58		
KN Jiyugaoka Plaza	1,231.44			2,640	0.84	3,144	0.92		
ORIX Meguro Building	6,117.66			6,440	2.05	6,472	1.90		
Akihabara Business Center	4,260.21			5,080	1.61	5,118	1.50		
				Subtotal	46,562.41	44,393	14.11	39,732	11.63
Other Parts of the Greater Tokyo Area	Neo City Mitaka			4,621.59	2,990	0.95	1,978	0.58	
	Round-Cross Kawasaki			5,521.52	5,059	1.61	3,929	1.15	
	Omiya Miyacho Building		4,062.92	4,340	1.38	4,262	1.25		
	Omiya Shimochō 1-chome Building		4,912.79	3,810	1.21	3,724	1.09		
			Subtotal	19,118.82	16,199	5.15	13,893	4.07	
Other Areas	Nagoya Itochu Building		11,208.24	4,380	1.39	4,927	1.44		
	ORIX Koraibashi Building		6,857.87	4,421	1.41	4,996	1.46		
	Lunar Sendai		9,954.77	4,930	1.57	7,958	2.33		
	ORIX Nagoya Nishiki Building		10,254.97	7,730	2.46	12,006	3.52		
	ORE Sapporo Building		11,672.41	4,402	1.40	4,209	1.23		
			Subtotal	49,948.26	25,863	8.22	34,096	9.98	
			Offices Total	223,452.66	217,183	69.04	228,963	67.04	
Logistics Facilities	Other Parts of the Greater Tokyo Area		Koshigaya Logistics Center	19,200.00	3,490	1.11	3,721	1.09	
			Toda Logistics Center	36,158.60	8,730	2.78	9,281	2.72	
			Ichikawa Logistics Center	37,456.96	7,410	2.36	7,995	2.34	
				Subtotal	92,815.56	19,630	6.24	20,997	6.15
	Other Areas		Sakai Logistics Center North Building	64,004.80	10,300	3.27	9,881	2.89	
		Komaki Logistics Center	18,089.76	2,730	0.87	2,723	0.80		
			Subtotal	82,094.56	13,030	4.14	12,604	3.69	
		Logistics Facilities Total	174,910.12	32,660	10.38	33,601	9.84		
Retail Facilities	6 central Tokyo Wards	Nihon Jisho Minami Aoyama Building	985.36	3,404	1.08	2,506	0.73		
		CUBE Daikanyama	899.82	2,357	0.75	2,455	0.72		
			Subtotal	1,885.18	5,761	1.83	4,961	1.45	
	Other Parts of the Greater Tokyo Area	aune Kohoku	5,706.72	4,000	1.27	3,938	1.15		
		aune Makuhari	5,749.05	3,570	1.13	3,546	1.04		
		Maruetsu Sagamino	8,250.89	2,350	0.75	2,363	0.69		
			Subtotal	19,706.66	9,920	3.15	9,847	2.88	
	Other Areas	Kobe Momoyamadai Shopping Center(Site)	42,123.17	3,190	1.01	3,309	0.97		
Okayama Kume Retail Facility		11,822.08	2,804	0.89	2,763	0.81			
		Subtotal	53,945.25	5,994	1.91	6,072	1.78		
		Retail Facilities Total	75,537.09	21,675	6.89	20,880	6.11		

	Area	Property Name	Total Rentable Area (㎡)	Appraisal Value ⁽¹⁾ (In millions of yen)	Share in Appraisal Value ⁽²⁾ (%)	Book Value (In millions of yen)	Share in Book Value ⁽²⁾⁽³⁾ (%)
Residential	6 central Tokyo Wards	Park Axis Nishi Azabu Stage	1,337.31	¥ 943	0.30	¥ 1,094	0.32
		Shibaura Island Bloom Tower	12,263.80	5,606	1.78	5,504	1.61
		We Will Hatchobori	3,065.89	2,361	0.75	2,394	0.70
		Shibaura Island Air Tower	13,097.69	6,130	1.95	6,121	1.79
		Subtotal	29,764.69	15,040	4.78	15,113	4.43
	Remaining Tokyo Wards	Belle Face Kamata	6,187.52	3,651	1.16	3,587	1.05
		Belle Face Hongo Yumicho	4,349.82	3,459	1.10	3,376	0.99
		Subtotal	10,537.34	7,110	2.26	6,963	2.04
	Other Areas	Belle Face Osaka Shinmachi	8,831.38	3,936	1.25	3,726	1.09
		Belle Face Amagasaki	7,459.89	3,452	1.10	3,487	1.02
Subtotal		16,291.27	7,388	2.35	7,213	2.11	
Residential Total			56,593.30	29,538	9.39	29,289	8.58
Others	Other Parts of the Greater Tokyo Area	Cross Gate	25,840.54	13,500	4.29	11,614	3.40
		Subtotal	25,840.54	13,500	4.29	11,614	3.40
		Others Total	25,840.54	13,500	4.29	11,614	3.40
Grand Total			556,333.71	¥ 314,556	100.00	¥ 324,347	94.97

Notes:

1. Tanizawa Sogo Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., Morii Appraisal & Investment Consulting, Inc., JAPAN REAL ESTATE INSTITUTE, Japan Valuers Co., Ltd. and DAIWA REAL ESTATE APPRAISAL Co., LTD. conducted appraisals.
2. Share in appraisal value and share in book value is rounded to the second decimal place, and may not add up to total amount due to rounding.
3. Individual figures for shares in book value do not add up to 100%, since book value represents total assets as of August 31, 2011 (¥341,515 million) which include those other than property.
4. The table shown above includes figures for property accounted for as investment in finance lease. Also, the book value includes the amount of investment in finance lease recorded on the balance sheet.

3. Selected Financial Data by Property

(For the period ended August 31, 2011)

	Area	Property Name	Number of Tenants ⁽¹⁾	Occupancy Rate ⁽¹⁾⁽²⁾ (%)	Revenue (In millions of yen)	Share in Revenue ⁽²⁾ (%)		
Offices	6 central Tokyo Wards	Aoyama Suncrest Building	3	73.6	¥ 133	1.2		
		Round-Cross Ichi-bancho	7	100.0	135	1.2		
		Round-Cross Moto Yoyogi	-	-	- ⁽³⁾	- ⁽³⁾		
		Round-Cross Nishi Shinjuku	10	100.0	86	0.8		
		Beside Shirogane	14	95.5	58	0.5		
		DT Gaien	3	100.0	88	0.8		
		Nihonbashi East Building	7	100.0	56	0.5		
		Yoyogi Forest Building	10	99.4	54	0.5		
		Round-Cross Minami Azabu	4	93.9	65	0.6		
		Round-Cross Akasaka	13	90.3	91	0.8		
		Round-Cross Mita	4	98.0	59	0.5		
		Shiba Daimon Building	1	100.0	- ⁽³⁾	- ⁽³⁾		
		Round-Cross Tsukiji	9	97.5	154	1.4		
		ORIX Shiba 2-chome Building	3	100.0	307	2.7		
		Aoyama 246 Building	10	100.0	184	1.6		
		Round-Cross Shinjuku	7	94.3	252	2.3		
		Seafort Square Center Building	31	86.3	671	6.0		
		ORIX Akasaka 2-chome Building	13	100.0	421	3.8		
		Round-Cross Shinjuku 5-chome	10	100.0	100	0.9		
		Nihonbashi Honcho 1-chome Building	3	100.0	235	2.1		
		ST WORLD Building	1	100.0	- ⁽³⁾	- ⁽³⁾		
		ORIX Suidobashi Building	1	100.0	- ⁽³⁾	- ⁽³⁾		
		ORIX Shinagawa Building	9	100.0	297	2.7		
		ORIX Real Estate Nishi Shinjuku Building	1	100.0	- ⁽³⁾	- ⁽³⁾		
		OX Tamachi Building	11	95.2	252	2.2		
		Subtotal			185	95.3	-⁽³⁾	-⁽³⁾
		Remaining Tokyo Wards	Carrot Tower	8	100.0	276	2.5	
			Toyo MK Building	9	100.0	250	2.2	
			Beside Kiba	5	87.2	106	1.0	
			ORIX Ikebukuro Building	3	100.0	333	3.0	
	Round-Cross Kamata		6	100.0	231	2.1		
	KN Jiyugaoka Plaza		5	100.0	79	0.7		
	ORIX Meguro Building		10	100.0	249	2.2		
	Akihabara Business Center		7	100.0	89	0.8		
	Subtotal			53	98.7	1,613	14.4	
	Other Parts of the Greater Tokyo Area		Neo City Mitaka	7	100.0	154	1.4	
		Round-Cross Kawasaki	12	100.0	212	1.9		
		Omiya Miyacho Building	2	100.0	- ⁽³⁾	- ⁽³⁾		
		Omiya Shimocho 1-chome Building	10	94.0	157	1.4		
	Subtotal		31	98.5	-⁽³⁾	-⁽³⁾		
	Other Areas	Nagoya Itochu Building	8	95.0	243	2.2		
		ORIX Koraihashi Building	13	100.0	189	1.7		
		Lunar Sendai	37	94.4	242	2.2		
		ORIX Nagoya Nishiki Building	15	74.1	229	2.0		
		ORE Sapporo Building	11	99.2	312	2.8		
		Subtotal		84	92.2	1,215	10.8	
	Offices Total		353	95.6	7,846	70.0		
	Logistics Facilities	Other Parts of the Greater Tokyo Area	Koshigaya Logistics Center	1	100.0	- ⁽³⁾	- ⁽³⁾	
			Toda Logistics Center	1	100.0	- ⁽³⁾	- ⁽³⁾	
			Ichikawa Logistics Center	1	100.0	- ⁽³⁾	- ⁽³⁾	
		Subtotal		3	100.0	636	5.7	
		Other Areas	Sakai Logistics Center North Building	1	100.0	- ⁽³⁾	- ⁽³⁾	
			Komaki Logistics Center	1	100.0	- ⁽³⁾	- ⁽³⁾	
Subtotal		2	100.0	400	3.6			
Logistics Facilities Total		5	100.0	1,036	9.2			
Retail Facilities	6 central Tokyo Wards	Nihon Jisho Minami Aoyama Building	1	100.0	- ⁽³⁾	- ⁽³⁾		
		CUBE Daikanyama	4	100.0	60	0.5		
		Subtotal		5	100.0	-⁽³⁾	-⁽³⁾	
	Other Parts of the Greater Tokyo Area	aune Kohoku	12	97.5	187	1.7		
		aune Makuhari	22	100.0	216	1.9		
		Maruetsu Sagamino	1	100.0	- ⁽³⁾	- ⁽³⁾		
	Subtotal		35	99.3	-⁽³⁾	-⁽³⁾		
	Other Areas	Kobe Momoyamadai Shopping Center (Site)	5	100.0	157	1.4		
Okayama Kume Retail Facility		3	100.0	126	1.1			
Subtotal		8	100.0	283	2.5			
Retail Facilities Total		48	99.8	908	8.1			
Residential	6 central Tokyo Wards	Park Axis Nishi Azabu Stage	1	89.6	34	0.3		
		Shibaura Island Bloom Tower	2	94.8	268	2.4		
		We Will Hatchobori	1	67.2	26	0.2		
		Shibaura Island Air Tower	1	91.1	60	0.5		
		Subtotal		5	90.1	388	3.5	
	Remaining Tokyo Wards	Belle Face Kamata	1	82.5	70	0.6		
		Belle Face Hongo Yumicho	1	99.1	56	0.5		
	Subtotal		2	89.4	126	1.1		
	Other Areas	Belle Face Osaka Shinmachi	1	95.8	88	0.8		
		Belle Face Amagasaki	5	100.0	70	0.6		
Subtotal			6	97.7	158	1.4		
Residential Total		13	92.2	672	6.0			
Others	Other Parts of the Greater Tokyo Area	Cross Gate	24	95.9	740	6.6		
		Subtotal		24	95.9	740	6.6	
	Others Total		24	95.9	740	6.6		
Grand Total		443	97.2	¥ 11,202	100.0			

Notes:

1. Number of tenants and occupancy rate are as of August 31, 2011.
2. Occupancy rate and share in revenue, rounded to the first decimal place, may not add up to totals due to rounding.
3. The number of tenants is either one or two. Alternatively, over 80% of revenue for any relevant property is derived from a limited number of specific tenants. Because of the confidentiality of the contractual terms, OJR does not disclose the revenue from operations of these properties unless agreement to such disclosures has been specifically received from the tenant.

4. Major Tenants

According to JREIT regulations, OJR is required to disclose information about tenants who lease more than 10% of total rentable areas of the fund's portfolio. As of the end of the 19th fiscal period (at the end of August 2011), NIPPON EXPRESS Co., Ltd. was the company subject to this requirement.

Name of Tenant	NIPPON EXPRESS Co., Ltd.
Industry	Transportation, sales, etc.
Property	Sakai Logistics Center North Building
Contract Rent	(1)
Rented Space	64,004.80 m ²
Share in Total Rented Space	11.8%
Expiry Date	July 30, 2019
Method for Renewal of Rent	Fixed term lease agreement for building (covering a period of ten years). There is no renewal. However, after this agreement expires, if lessor and lessee agree, both parties can separately conclude a new lease contract.
Special Note	The rent shall not be revised during the lease period, in principle, except in cases where the rented space increased or decreased, or where taxation relevant to this property changed. In principle, a midterm cancellation shall not be allowed. Nippon Express Co., Ltd. may sublease or allow use of the property by a third party, subject to the prior written approval of the lessor. As of August 31, 2011, this property is subleased to one tenant.

Note 1: OJR does not have the tenant's approval to disclose its contract rent in this report.

The following list shows the ten largest tenants in terms of rented area as of August 31, 2011. Share in total rented space is calculated based on the areas that OJR owns.

	Name of Tenant	Property	Expiry Date ⁽¹⁾	Rented Space ⁽²⁾ (m ²)	Share in Total Rented Space ⁽²⁾ (%)
1	NIPPON EXPRESS Co., Ltd.	Sakai Logistics Center North Building	July 30, 2019	64,004.80	11.8
2	SENKO Co., Ltd.	Ichikawa Logistics Center	July 31, 2018	37,456.96	6.9
3	Keiyo Distribution Warehouse Co., Ltd.	Toda Logistics Center	March 9, 2025	36,158.60	6.7
4	DAIKYO REALDO INCORPORATED	Belle Face Osaka Shinmachi	October 1, 2011	8,460.25	1.6
		Belle Face Kamata	January 31, 2012	5,107.53	0.9
		We Will Hatchobori	January 31, 2012	2,060.03	0.4
		Round-Cross Tsukiji	July 31, 2012	153.78	0.0
		Belle Face Hongo Yumicho	October 31, 2012	4,309.09	0.8
5	Fujita Kanko Co., Ltd.	Cross Gate	September 30, 2020	19,744.39	3.7
6	— (3)	—	—	19,200.00	3.5
7	— (3)	Komaki Logistics Center	—	18,089.76	3.3
8	Cainz Co., Ltd.	Kobe Momoyamadai Shopping Center (Site)	October 3, 2026	16,715.94	3.1

9	Mitsui Fudosan Housing Lease Co., Ltd. R.A. Asset Management Inc. (4)	Shibaura Island Air Tower	December 31, 2011	11,934.53	2.2
10	Mitsui Fudosan Housing Lease Co., Ltd., Daiwa Living Co., Ltd., R.A. Asset Management Inc. (4)	Shibaura Island Bloom Tower	August 31, 2012	9,255.67	1.7
Total				252,651.33	46.7

Notes:

1. In cases where more than one lease contract has been concluded with a tenant, the date shown in expiry date is for the lease contract with the earliest expiry date.
2. Rented space and total rented space refer to contracted floor area, which is generally the actual floor size, as opposed to the registered size in the Japanese registry system. Share in total rented space is rounded to one decimal place. Individual numbers may not add up to total amount due to rounding.
3. OJR does not have the tenant's approval to disclose its name in this report.
4. All parties are co-lessees under a single master lease agreement.

■ Capital Expenditure

1. Projects – 20th Period Onward

The following table shows the capital expenditure projects that are currently planned. Estimated amounts include costs that may be recognized as expenses. OJR intends to continue providing such capital improvements to improve tenant satisfaction and to enhance its portfolio competitiveness and property value.

Property (Location)	Project	Estimated Period	Estimated Amount (In millions of yen)		
			Total Amount	Payment due in 19th period	Already paid Amount
ORIX Meguro Building (Meguro-ku, Tokyo)	Renewal of air conditioner	From April 2011 to March 2012	¥210	¥ –	¥ 1
Cross Gate (Yokohama City, Kanagawa)	Renovation of escalators	From March 2012 to June 2012	84	–	–
Yoyogi Forest Building (Shibuya-ku, Tokyo)	Renewal of air conditioner	From June 2012 to November 2012	64	–	–
Cross Gate (Yokohama City, Kanagawa)	Renewal of emergency exit signs	From August 2012 to August 2012	40	–	–
Round-Cross Mita (Minato-ku, Tokyo)	Renovation of outer wall	From June 2012 to October 2012	35	–	–
Shiba Daimon Building (Minato-ku, Tokyo)	Total Renewal of the building	From November 2011 to January 2012	159	–	–
Nagoya Itochu Building (Nagoya City, Aichi)	Renovation of elevator	From June 2012 to February 2013	90	–	–

2. Results – 19th Period

Total amount of capital expenditures in the 19th period was ¥235 million and major projects are summarized below. Combined with the repair costs of ¥190 million and loss on disaster of ¥54 million, total cost for capital improvements (repair cost and capital expenditures) during the 19th period is ¥479 million.

In addition, OJR recorded ¥55 million as provision for loss on disaster, to provide for construction planned after August 31, 2011.

Property (Location)	Project	Period	Amount (In millions of yen)
ORIX Meguro Building (Meguro-ku, Tokyo)	Renewal of air conditioner	From April 2011 to August 2011	¥102
Other Capital Expenditures			133
Grand Total			¥235

3. Cash Reserve for Capital Improvements

Based on its property-specific medium to long-term repair plans, OJR maintains a cash reserve for capital improvements from its cash flow. The following table shows the summary of cash reserves at the end of the 18th and 19th periods.

	(In millions of yen)	
	For the period ended February 28, 2011	For the period ended August 31, 2011
Balance at the beginning	¥1,443	¥1,577
Amount reserved	317	313
Amount withdrawn	183	254
Amount carried forward	¥1,577	¥1,636

Note:

In addition to the above reserve, OJR set aside ¥423 million as of August 31, 2011 as reserve for repair work to properties that OJR owns in compartmentalized ownership interests. The amount was included in “Others” of “Other assets” on the balance sheet as of August 31, 2011. Such reserves are generally required pursuant to the management regulation of the owners’ associations.

■ Administrative Expenses

The following table shows the breakdown of fees and expenses paid to the asset manager (ORIX Asset Management Corporation), the asset custodian (The Sumitomo Trust & Banking Co., Ltd.), and others such as for their administrative services.

	(In millions of yen)	
Item	For the period ended February 28, 2011	For the period ended August 31, 2011
Asset management fees	¥672	¥697
Asset custody fees	35	37
Agent fees	131	128
Officers’ fees	10	10
Auditors’ fees	15	14
Other expenses	92	102
Total	¥955	¥988

Note:

Above figures do not include the acquisition fee of ¥63 million for the 18th period and ¥163 million for the 19th period nor the sale fee of ¥11 million for the 18th period and ¥24 million for the 19th period that were paid to ORIX Asset Management. The acquisition fee has been capitalized as part of acquisition costs and the sale fee was netted against gains on sale of real estate properties or included in loss on sale of real estate properties.

■ Transaction Activities during Current Period

1. Real Estate and Real Estate Held in Trust

(In millions of yen)

Acquisition		
Property	Date	Price
Maruetsu Sagamino	March 1, 2011	¥ 2,350
Akihabara Business Center	June 1, 2011	5,060
We Will Hatchobori	June 1, 2011	2,370
Belle Face Kamata	June 1, 2011	3,550
Belle Face Hongo Yumicho	June 1, 2011	3,340
Belle Face Osaka Shinmachi	June 1, 2011	3,684
Belle Face Amagasaki	June 1, 2011	3,440
Komaki Logistics Center	June 30, 2011	2,700
Shibaura Island AirTower	July 28, 2011	6,030
Total		¥32,524

Sale		
Property	Date	Price
Round-Cross Moto Yoyogi	March 1, 2011	¥ 4,807
Total		¥ 4,807

Note:

Acquisition and sale prices do not include transaction costs such as brokerage fees and taxes.

2. Other Assets

There is no significant acquisition or sale of other assets. Other major assets consist mostly of ordinary bank deposits.

3. Transactions with Related Parties and Major Shareholders of Asset Management Company

Transactions

Category	Amount of Purchase Price, etc.	
	Purchase Price, etc. (In millions of yen)	Sale Price, etc. (In millions of yen)
Total Amount	¥32,524	¥4,807
	Amount of purchases from related parties and major shareholders ¥32,524 (100.0%)	Amount of sales to related parties and major shareholders ¥ — (—%)
Breakdown of transactions with related parties and major shareholders		
ORIX Real Estate Corporation	¥13,550 (41.7%)	¥ — (—%)
ORIX Life Insurance Corporation	12,944 (39.8%)	— (—%)
Shibaura Island Apartment Limited	6,030 (18.5%)	— (—%)
Total	¥32,524 (100.0%)	¥ — (—%)

Notes:

- Figures in parentheses indicate percentages of total purchase prices and sale prices respectively.
- With regard to the amount paid to related parties and major shareholders, the amount of ¥82 million, which is equivalent of the properties tax and city planning tax for the year of acquisition, is not included in the purchase price and the amounts in the breakdown of transactions with related parties and major shareholders presented in the above table.

Commissions paid

Item	(A) Total Amount (In millions of yen)	Description of Transactions with Related Parties and Major Shareholders ⁽¹⁾		
		Paid to	(B) Amount (In millions of yen)	(B)/(A)
Leasing commission	¥34	ORIX Real Estate Corporation	¥6	18.8%
Property maintenance fees	717	ORIX Corporation	5	0.7%
		Seafort Community Co., Inc	41	5.7%
Property management fees	227	ORIX Real Estate Corporation	7	3.0%

Notes:

- “Related Parties” and “Major Shareholders” refer to (i) the related parties of asset management companies under asset management agreement with OJR, as defined in “the Law Concerning Investment Trust and Investment Corporation, Article 201, Section 1” and “Order for Enforcement of the Law Concerning Investment Trust and Investment Corporation, Article 123,” and (ii) the major shareholders of asset management companies as defined in “the Financial Instruments and Exchange Law, Article 29, Section 4, Paragraph 2.” In the 19th period, they are ORIX Corporation, ORIX Real Estate Corporation, Seafort Community Co., Inc., ORIX Life Insurance Corporation and Shibaura Island Apartment Limited. The above is a record of commission payments etc. to them.
- Amounts paid to related parties other than those listed above such as for utility charges were as follows.
 - ORIX Corporation : ¥96 million (utility charges)
 - Tennouzu Area Service Co., Inc. : ¥84 million (utility charges)
 - ORIX Trust and Banking Corporation : ¥30 million (interest expense)
 - ORIX Interior Corporation : ¥5 million (repair cost etc.)
 - Flexible Energy Service Co., Ltd. : ¥1 million (research cost)
- ORIX Trust and Banking Corporation changed its name to ORIX Bank Corporation as of October 1, 2011.

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Independent Auditors' Report

To the Board of Directors of
ORIX JREIT Inc..

We have audited the accompanying balance sheets of ORIX JREIT Inc. (a Japanese Real Estate Investment Trust) as of February 28, 2011 and August 31, 2011, and the related statements of income, changes in net assets and cash flows for the six months ended February 28, 2011 and August 31, 2011, expressed in Japanese yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ORIX JREIT Inc. as of February 28, 2011 and August 31, 2011, and the results of its operations and its cash flows for the six months ended February 28, 2011 and August 31, 2011, in conformity with accounting principles generally accepted in Japan.

KPMG AESA LLC

Tokyo, Japan
November 21, 2011

ORIX JREIT Inc.
BALANCE SHEETS

As of February 28, 2011 and August 31, 2011

	As of February 28, 2011	As of August 31, 2011
(In millions of yen)		
Assets		
Current assets:		
Cash and deposits including trust accounts (Notes 3, 4)	¥ 18,529	¥ 13,655
Rental receivables	234	315
Consumption taxes refundable	59	427
Investment in finance lease (Notes 4, 13)	3,436	3,998
Prepaid expenses	86	81
Other current assets (Note 7)	17	12
Less: Allowance for doubtful receivables	(5)	(6)
Total current assets	22,356	18,482
Property and equipment, at cost:		
Land including trust accounts (Note 15)	184,393	194,153
Buildings and structures including trust accounts (Note 15)	95,792	108,791
Building improvements including trust accounts (Note 15)	31,271	34,714
Machinery and equipment including trust accounts (Note 15)	3,142	4,107
Construction in progress (Note 15)	1	2
	314,599	341,767
Less: Accumulated depreciation (Note 15)	(21,664)	(23,140)
Net property and equipment	292,935	318,627
Other assets:		
Leasehold interests including trust accounts (Note 15)	1,593	1,724
Others (Notes 7, 16)	1,855	2,682
Total assets	¥ 318,739	¥ 341,515
Liabilities and Net assets		
Liabilities		
Current liabilities:		
Trade and other payables	¥ 926	¥ 1,253
Short-term debt (Notes 4, 5)	13,300	—
Long-term debt due within one year (Notes 4, 5)	32,250	20,250
Accrued expenses	463	511
Rents received in advance	1,625	1,731
Income taxes payable	3	6
Provision for loss on disaster	—	55
Other current liabilities	327	289
Total current liabilities	48,894	24,095
Non-current liabilities:		
Long-term debt (Notes 4, 5)	112,993	147,168
Leasehold and security deposits received (Note 4)	15,309	15,780
Deferred tax liabilities (Note 7)	170	—
Total liabilities	177,366	187,043
Net assets (Notes 6, 8)		
Unitholders' capital	137,814	150,896
Units authorized: 2,000,000 units		
Units issued and outstanding: 284,434 units as of August 31, 2011 and 251,622 units as of February 28, 2011		
Retained earnings	3,559	3,576
Total net assets	141,373	154,472
Total liabilities and net assets	¥ 318,739	¥ 341,515

The accompanying notes to financial statements are an integral part of these statements.

ORIX JREIT Inc.
STATEMENTS OF INCOME

For the six months ended February 28, 2011 and August 31, 2011

	For the six months ended	
	February 28, 2011	August 31, 2011
	(In millions of yen)	
Operating revenues:		
Rental revenues (Note 10)	¥ 9,514	¥ 9,997
Other operating revenues (Note 10)	1,227	1,205
Gains on sale of real estate properties (Note 11)	—	331
Total operating revenues	10,741	11,533
Operating expenses:		
Property-related expenses (Note 10)	4,946	5,582
Loss on sale of real estate properties (Note 11)	50	—
Asset management fees	672	697
Administrative service fees	166	165
Other expenses	117	126
Total operating expenses	5,951	6,570
Operating income	4,790	4,963
Interest income	3	3
Interest expense	(1,307)	(1,411)
Issuance costs of new units	—	(47)
Other expenses, net	(193)	(262)
Ordinary income	3,293	3,246
Extraordinary loss:		
Loss on disaster (Note 12)	—	54
Provision for loss on disaster (Note 12)	—	55
Total extraordinary loss	—	109
Income before income taxes	3,293	3,137
Provision for income taxes (Note 7)	1	(172)
Net income	¥ 3,292	¥ 3,309

	For the six months ended	
	February 28, 2011	August 31, 2011
Earnings per unit (Note 6)		
Net income (In yen)	¥ 13,083	¥ 12,307
Weighted average number of units outstanding	251,622	268,843

The accompanying notes to financial statements are an integral part of these statements.

ORIX JREIT Inc.
STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended February 28, 2011 and August 31, 2011

	For the six months ended	
	February 28, 2011	August 31, 2011
(In millions of yen)		
Unitholders' capital:		
Balance at the end of the previous period	¥ 137,814	¥ 137,814
Changes during the period:		
Issuance of new units	—	13,082
Total changes during the period	—	13,082
Balance at the end of the period	¥ 137,814	¥ 150,896
Retained earnings: (Notes 8)		
Balance at the end of the previous period	¥ 4,308	¥ 3,559
Changes during the period:		
Cash dividends declared	(4,041)	(3,292)
Net income	3,292	3,309
Total changes during the period	(749)	17
Balance at the end of the period	¥ 3,559	¥ 3,576
Total net assets: (Notes 6, 8)		
Balance at the end of the previous period	¥ 142,122	¥ 141,373
Changes during the period:		
Issuance of new units	—	13,082
Cash dividends declared	(4,041)	(3,292)
Net income	3,292	3,309
Total changes during the period	(749)	13,099
Balance at the end of the period	¥ 141,373	¥ 154,472
For the six months ended		
	February 28, 2011	August 31, 2011
Number of units:		
Balance at the end of the previous period	251,622	251,622
Changes during the period:		
Issuance of new units	—	32,812
Total changes during the period	—	32,812
Balance at the end of the period	251,622	284,434

The accompanying notes to financial statements are an integral part of these statements.

ORIX JREIT Inc.
STATEMENTS OF CASH FLOWS

For the six months ended February 28, 2011 and August 31, 2011

	For the six months ended	
	February 28, 2011	August 31, 2011
	(In millions of yen)	
Cash Flows from Operating Activities:		
Income before income taxes	¥ 3,293	¥ 3,137
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	2,171	2,409
Amortization of long-term prepaid expenses	162	196
Amortization of investment corporation bond issuance costs	17	23
Issuance costs of new units	—	47
Allowance for doubtful receivables	—	1
Provision for loss on disaster	—	55
Interest income	(3)	(3)
Interest expense	1,307	1,411
Loss on disposal of property and equipment	1	37
Changes in assets and liabilities:		
Rental receivables	97	(82)
Consumption taxes refundable	485	(369)
Investment in finance lease	57	(562)
Prepaid expenses	(18)	4
Payments of long-term prepaid expenses	(102)	(677)
Decrease in property and equipment due to sale	2,047	4,386
Withdrawal from reserve for repairs and maintenance	127	1
Trade and other payables	(111)	186
Rents received in advance	38	105
Others, net	52	41
Subtotal	9,620	10,346
Cash proceeds from interest income	3	2
Cash payments of interest expense	(1,269)	(1,370)
Cash payments of income taxes	(1)	(3)
Net cash provided by operating activities	8,353	8,975
Cash Flows from Investing Activities:		
Payments for investing in time deposits	(1,577)	(1,636)
Proceeds from maturity of time deposits	1,443	1,577
Purchases of property and equipment	(11,917)	(32,384)
Purchases of leasehold rights	(938)	(140)
Proceeds from leasehold and security deposits	1,050	1,056
Repayments of leasehold and security deposits	(805)	(912)
Payments of lease and guarantee deposits	(516)	(332)
Others, net	(199)	(39)
Net cash used in investing activities	(13,459)	(32,810)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	52,000	17,130
Repayments of short-term debt	(48,700)	(30,430)
Proceeds from long-term debt	18,000	54,300
Repayments of long-term debt	(7,625)	(32,125)
Payments for investment corporation bond issuance costs	(63)	—
Proceeds from issuance of new units	—	13,082
Payments of issuance costs of new units	—	(47)
Payment of dividends	(4,040)	(3,289)
Net cash provided by financing activities	9,572	18,621
Net change in cash and cash equivalents	4,466	(5,214)
Cash and cash equivalents at beginning of period	12,251	16,717
Cash and cash equivalents at end of period (Note 3)	¥ 16,717	¥ 11,503

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

For the six months ended February 28, 2011 and August 31, 2011

1. Organization

ORIX JREIT Inc. (“OJR”), a Japanese real estate investment corporation, was established on September 10, 2001, with ¥200 million of capital contribution by ORIX Corporation, under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law. OJR was formed to invest primarily in real estate in Japan. On June 12, 2002, OJR was listed on the Tokyo Stock Exchange’s JREIT (Real Estate Investment Trust in Japan) section as the fourth listed JREIT. OJR is the first diversified type listed JREIT that invests in offices, logistics facilities, retail facilities, residential properties and other categories of properties.

In its 19th fiscal period, OJR acquired Maruetsu Sagamino (acquisition price: ¥2,350 million), Akihabara Business Center (acquisition price: ¥5,060 million), We Will Hatchobori (acquisition price: ¥2,370 million), Belle Face Kamata (acquisition price: ¥3,550 million), Belle Face Hongo Yumicho (acquisition price: ¥3,340 million), Belle Face Osaka Shinmachi (acquisition price: ¥3,684 million), Belle Face Amagasaki (acquisition price: ¥3,440 million), Komaki Logistics Center (acquisition price: ¥2,700 million) and Shibaura Island Air Tower (acquisition price: ¥6,030 million); and sold Round-Cross Moto Yoyogi (sales price: ¥4,807 million). As a result, OJR’s portfolio included 62 properties as of August 31, 2011 (41 office buildings, 5 logistics centers, 7 retail facilities, 8 residential properties and 1 hotel). The invested amount (total of acquisition prices) aggregated to ¥338,471 million.

2. Summary of Significant Accounting Policies

(a) Basis of presenting financial statements

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (the “Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying financial statements have been restructured and translated into English (with some reclassifications and expanded descriptions) from the financial statements of OJR prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. OJR has not prepared consolidated financial statements, as it has no subsidiary.

(b) Property and equipment

Property and equipment are stated at cost. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

Buildings and structures	10-60 years
Building improvements.....	6-18 years
Machinery and equipment.....	10-18 years

(c) Leasehold interests

Amortization of term leasehold interests is calculated on a straight-line basis over the remaining periods of the assets.

(d) Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized using a straight-line method over the respective terms of the bonds.

(e) Issuance costs of new units

Issuance costs of new units were recognized as expenses when incurred.

(f) Revenue recognition

Revenues from operating lease of property are recognized on a straight-line accrual basis over the life of the lease. Revenues from finance lease of property and related costs of the finance lease are recognized when OJR receives the lease payments. The difference between those revenues and costs represents the interest income equivalent earned during the period.

(g) Taxes on property and equipment

Property and equipment are subject to various taxes, such as property taxes and city planning taxes. An owner of properties is registered in a record maintained by the local government in each jurisdiction, and the taxes are imposed on the owner registered in the record as of January 1, based on the assessment made by the local government.

When a property is purchased in a calendar year, the taxes for that calendar year are imposed on the seller. OJR pays the seller the corresponding amount of the taxes for the period from the property acquisition date to December 31 of the calendar year and capitalizes these amounts as the acquisition cost of the property, rather than expensing them in the period of acquisition. Subsequently, every calendar year, OJR recognizes the taxes imposed on such properties as property-related expenses in a period when the assessment and decision is notified and paid, if OJR has owned the properties since January 1 of the calendar year.

The amount of such taxes included in the costs of real estate acquisition was ¥40 million and ¥82 million for the periods ended February 28, 2011 and August 31, 2011, respectively.

(h) Allowance for doubtful receivables

To prepare for possible losses on uncollectible receivables, the allowance for doubtful receivables is provided in amounts considered to be appropriate based on individual analysis of collectibility for certain doubtful receivables and on past credit experiences for other receivables.

(i) Provision for loss on disaster

Provision for loss on disaster is recorded at the amount reasonably estimated as of August 31, 2011 to provide for restoration costs for damaged property and equipment and other expenses related to the Great East Japan Earthquake.

(j) Hedge accounting

OJR conducts a derivative transaction in order to hedge risks defined in its Articles of Incorporation based on its financial policy. OJR uses a derivative financial instrument such as an interest rate swap only for the purpose of avoiding future risks of interest rate increases relating to a loan, but does not enter into such transactions for speculative or trading purposes. Since the interest rate swap currently used qualifies for hedge accounting and meets certain matching criteria, the swap is not recorded at fair value but the differential paid or received under the swap agreement is recognized and included in interest expense. In addition, assessment of the hedge effectiveness has been omitted because the swap meets the matching criteria, as permitted under the Japanese GAAP.

(k) Income taxes

Deferred tax assets and liabilities are recognized based on the difference between the financial statements and income tax bases of assets and liabilities using the enacted tax rate.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash held in trust, bank deposits (including trust accounts) which are repayable on demand, and short-term investments which are readily convertible to cash, with an insignificant risk of price fluctuation and with original maturity of three months or less.

(m) Reclassification

Certain reclassifications have been made to the prior period's financial statements to conform with the presentation used for the period ended August 31, 2011.

(n) Rounding of amounts presented in financial statements

The amounts in the financial statements have been rounded down to millions in the financial statements originally prepared in Japanese and filed with regulatory authorities, whereas the amounts have been rounded to the nearest millions in the accompanying financial statements in order to present them in a manner that is more familiar to readers outside Japan.

(o) Trust beneficiary interests

For trust beneficiary interests in real estate, all assets and liabilities held in trust as well as all income generated and expenses incurred from the trust are recorded in the corresponding balance sheet and income statement accounts of the accompanying financial statements.

(p) Consumption taxes

Consumption taxes are excluded from transaction amounts. However, non-deductible consumption taxes on property and equipment are included in the acquisition cost of the respective assets.

(q) New accounting pronouncements:

(Accounting standard for asset retirement obligations)

Effective from the fiscal period ended February 28, 2011, OJR adopted the “Accounting Standard for Asset Retirement Obligations” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 18 issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 issued on March 31, 2008).

The impact of the adoption of this Accounting Standard and Guidance on its operating income, ordinary income and income before income taxes was insignificant.

3. Cash and Deposits including trust accounts

Cash and deposits including trust accounts includes restricted deposits held in trust that are retained for repayment of tenant leasehold and security deposits.

Reconciliation of the cash and deposits including trust accounts recorded on the accompanying balance sheets to the cash and cash equivalents reported in the accompanying statements of cash flows is as follows.

Cash and cash equivalents were as follows.

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
Cash and deposits including trust accounts.....	¥ 18,529	¥ 13,655
Less: restricted deposits held in trust.....	(235)	(516)
Less: time deposits due over three months.....	<u>(1,577)</u>	<u>(1,636)</u>
Cash and cash equivalents.....	<u>¥ 16,717</u>	<u>¥ 11,503</u>

4. Financial Instruments

[Qualitative information on financial instruments]

(a) Policies for financial instruments

To finance property acquisitions, repayment of debt, etc., OJR procures funds through several funding sources, including loans from financial institutions, issuance of investment corporation bonds and issuance of investment units. In the case of financing through interest-bearing debt, it is our basic financial policy to focus on borrowing funds longer periods, fixing interest rates on debt, and dispersing repayment dates, among others, in order to secure financial stability and avoid future risks of increase in interest rates.

OJR may conduct derivative transactions in order to hedge against future interest-rate fluctuations, but does not enter into such transactions for speculative purposes.

OJR manages its excess funds carefully in light of the safety and liquidity, taking interest rate environment and projected cash flow requirements into due consideration.

(b) Financial instruments, their risks and risk management system

The fund proceeds from borrowings and issuance of investment corporation bonds are used for the purpose of acquisition of real estate and beneficiary rights to real estate trusts, repayment of loans and redemption of investment corporation bonds. These borrowings and bonds are exposed to liquidity risks. OJR strives to reduce the liquidity risks by diversification of financing methods and lenders, dispersing repayment dates and establishment of commitment lines. Borrowings and investment corporation bonds are also exposed to a risk of rising interest rates. OJR controls the impact of interest rate increases by maintaining a lower ratio of interest-bearing debt, while holding the ratio of interest-bearing debt with long-term fixed interest rates at a higher level. Furthermore, for some of the floating-rate loans, OJR enters into derivative transactions (interest-rate swaps) to hedge against interest rate fluctuation risks and fix the amount of interests to be paid. Since the interest rate swap currently used qualifies for hedge accounting and meets certain matching criteria, assessment of the hedge effectiveness has been omitted, as permitted under the Japanese GAAP. Derivative transactions are executed and managed in accordance with the operation and management procedures of the asset management firm.

Deposits are held for the purpose of management of excess funds, and are exposed to credit risks, such as bankruptcy of the depository financial institutions. OJR controls such credit risks by using depository financial institutions with high credit ratings.

Leasehold and security deposits are deposits received from tenants, which are exposed to liquidity risks when the tenants vacate the properties. In principle, OJR manages the risk by retaining funds that would enable OJR to return necessary amounts to tenants.

(c) Supplementary explanation regarding fair values of financial instruments

The fair value of financial instruments is based on their observable market value, if available. When there is no observable market value available, fair value is based on a price that is reasonably estimated. Since various factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

[Fair values of financial instruments]

Book value, fair value, and the difference between them as of February 28, 2011 and August 31, 2011, are as follows. Financial instruments whose fair values are very difficult to estimate and financial instruments which are deemed immaterial are both excluded from the following table (See Note 2 below).

(In millions of yen)

	As of February 28, 2011			As of August 31, 2011		
	Book value	Fair value	Difference	Book value	Fair value	Difference
<u>Assets</u>						
(a) Cash and deposits (*)	¥18,174	¥18,174	¥ —	¥12,583	¥12,583	¥ —
(b) Investment in finance lease	3,435	3,611	176	3,998	4,356	358
Total	¥21,609	¥21,785	¥176	¥16,581	¥16,939	¥358
<u>Liabilities</u>						
(a) Short-term debt	¥13,300	¥13,300	¥ —	¥ —	¥ —	¥ —
(b) Long-term debt due within one year	32,250	32,511	261	20,250	20,488	238
(c) Long-term debt	112,993	113,983	990	147,168	148,843	1,675
Total	¥158,543	¥159,794	¥1,251	¥167,418	¥169,331	¥1,913
Derivative transaction	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —

(*) Cash and deposits held in trust are included in the balance sheet amount of “Cash and deposits including trust accounts.” However, they are excluded from the above table because they are not subject to fair value disclosure as they are deemed immaterial under the Japanese GAAP.

Note1. Information about measurement of fair value of financial instruments and derivative transaction

Assets

(a) Cash and deposits

Due to the short maturities, the book value of these assets is deemed a reasonable approximation of the fair value. Therefore the book value is used as the fair value.

(b) Investment in finance lease

The fair value of investment in finance lease is calculated by discounting the principal and interest cash flows at the current interest rate that is estimated to apply when entering into new similar lease transactions. Investment in finance lease includes estimated residual values. As for finance lease transactions entered into during the fiscal periods started before April 1, 2008 that do not transfer ownership of the leased property to the lessee, their proper book value as fixed assets (net of accumulated depreciation) recorded at the end of August 2008 was transferred from property and equipment to investment in finance lease as the initial recorded amount of the investment in finance lease at the beginning of the fiscal period started on September 1, 2008, as permitted by the Japanese GAAP. The interest income equivalents of those finance lease transactions are taken into income over the remaining lease term based on a straight-line method. Consequently, for those finance lease transactions, a difference arises between the book value and the unamortized principal balance that would have been recorded had those finance lease transactions been retrospectively accounted for as financing by using the interest method, and such difference is included in the difference between the book value and the fair value in the above table.

Liabilities

(a) Short-term debt

Due to the short maturities and floating interest rates, the book value of these liabilities is deemed a reasonable approximation of their fair value, and therefore the book value is used as the fair value.

(b) Long-term debt due within one year

The fair value of long-term debt due within one year is calculated by discounting the aggregated amounts of the principal and the interest cash flows of the debt at the current rates that are reasonably estimated to be applicable if OJR enters into new similar loans. As of August 31, 2011, the fair value of interest rate swap that is not recorded at fair value because it meets certain matching criteria (see Note 2 (j)) is included in the fair value of the hedged long-term debt due within one year.

(c) Long-term debt

As of February 28, 2011 and August 31, 2011, long-term debt which includes investment corporation bonds and long-term loan are as follows.

(In millions of yen)

	As of February 28, 2011			As of August 31, 2011		
	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Investment corporation bonds	¥ 27,000	¥ 27,177	¥ 177	¥ 27,000	¥ 27,255	¥ 255
(2) Long-term loan	85,993	86,806	813	120,168	121,588	1,420
Total	¥112,993	¥113,983	¥ 990	¥147,168	¥148,843	¥1,675

(1) Investment corporation bonds

The fair value of investment corporation bonds is estimated based on the market price if the market price is available. If the market price is not available, the fair value is estimated by discounting the principal and interest cash flows by an interest rate determined by taking into consideration time to maturity and credit risk of the relevant investment corporation bond.

(2) Long-term loan

Since floating rate long-term loans reflect market interest rates within a short period of time, the book value is determined to be a reasonable estimate of the fair value. In the case of fixed interest rate loans, the fair value is estimated by discounting the principal and the interest cash flows of the debt at the current rates that are reasonably estimated to be applicable if OJR enters into new similar loans. As of February 28, 2011, the fair value of interest rate swap that is not recorded at fair value because it meets certain matching criteria (see Note 2 (j)) is included in the fair value of the hedged long-term loan in the above table.

Derivative transaction

Please refer to Note 14, "Derivative Transactions."

Note 2. Financial instruments whose fair values are very difficult to estimate.

(In millions of yen)

	Book value	
	As of February 28, 2011	As of August 31, 2011
Leasehold and security deposits received	¥15,309	¥15,780

Leasehold and security deposits received from the tenants of lease properties are not subject to the fair value disclosure because they have no market price and their actual deposit periods from occupancy to vacation are not estimable, making it very difficult to reasonably estimate the related cash flows.

Note 3: Redemption schedule for monetary claims after February 28, 2011 and August 31, 2011

(In millions of yen)

	February 28, 2011					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits (excluding trust accounts)	¥18,174	¥ —	¥ —	¥ —	¥ —	¥ —
Investment in finance lease (*)	352	352	352	352	352	3,158
Total	¥18,526	¥352	¥352	¥352	¥352	¥3,158

(In millions of yen)

	August 31, 2011					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits (excluding trust accounts)	¥12,583	¥ —	¥ —	¥ —	¥ —	¥ —
Investment in finance lease (*)	446	446	446	446	386	2,982
Total	¥13,029	¥446	¥446	¥446	¥386	¥2,982

* Scheduled redemption amounts include interest income equivalents.

Note 4. Schedule for repayment of loans and redemption of investment corporation bonds after February 28, 2011 and August 31, 2011

(In millions of yen)

	February 28, 2011					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans	¥13,300	¥ —	¥ —	¥ —	¥ —	¥ —
Investment corporation bonds	—	12,000	5,000	5,000	5,000	—
Long-term loans	32,250	38,750	33,250	3,937	10,056	—
Total	¥45,550	¥50,750	¥38,250	¥8,937	¥15,056	¥ —

(In millions of yen)

	August 31, 2011					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	¥ —	¥12,000	¥10,000	¥ —	¥5,000	¥ —
Long-term loans	20,250	43,750	8,250	13,868	50,300	4,000
Total	¥20,250	¥55,750	¥18,250	¥13,868	¥55,300	¥4,000

5. Short-term and Long-term Debt

As of February 28, 2011, OJR had total interest bearing debt of ¥158,543 million comprised of ¥13,300 million of short-term debt and ¥145,243 million of long-term debt (including ¥32,250 million of current portion of long-term debt).

As for the fiscal period ended August 31, 2011, OJR procured ¥13,300 million in long-term loans (fixed rate, unsecured) from a number of financial institutions on March 30, 2011 for the repayment of commitment line-based short-term loans approaching their due dates. On April 27, 2011, OJR procured ¥17,000 million in long-term loans (fixed rate, unsecured) from a number of financial institutions for the repayment of long-term loans approaching their due dates. On June 27, 2011, OJR procured ¥15,000 million in long-term loans (fixed rate, unsecured) from a number of financial institutions for the repayment of long-term loans approaching their due dates. On June 30, 2011 OJR took out ¥2,830 million in short-term loans (floating rate, unsecured) based on a commitment line to fund the acquisition of Komaki Logistics Center. On July 27, 2011, OJR procured ¥5,000 million in long-term loan (fixed rate, unsecured) from a number of financial institutions, as well as ¥4,000 million in long-term loan (fixed rate, unsecured) from the Development Bank of Japan, both to fund the repayment of the aforementioned commitment line loan and the acquisition of Shibaura Island Air Tower. On June 14, 2011, OJR concluded a memorandum with three financial institutions to extend the term of its commitment line, and the balance of its borrowing stood at zero as of August 31, 2011.

As of August 31, 2011, outstanding loans amounted to ¥140,418 million in long-term loans (including ¥20,250 million of current portion of long-term debt), investment corporation bonds stood at ¥27,000 million, and interest-bearing debt totaled ¥167,418 million.

Breakdown of the outstanding interest bearing debt as of February 28, 2011 and August 31, 2011 were as follows:

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
<Short-Term Debt>		
Floating rate debt unsecured due on March 1, 2011 with interest rate of 1.18%	¥ 5,000	¥ —
Floating rate debt unsecured due on March 1, 2011 with interest rate of 1.18%	8,300	—
Total.....	<u>13,300</u>	<u>—</u>
<Long-Term Debt>		
Floating rate debt unsecured due on September 19, 2012 with interest rate of 1.24%	3,500	3,500
Fixed rate debt unsecured due on April 27, 2011 with interest rate of 2.00%	17,000	—
Fixed rate debt unsecured due on June 27, 2011 with interest rate of 1.83%	15,000	—
Fixed rate debt unsecured due on March 19, 2012 with interest rate of 1.79%	11,500	11,500
Fixed rate debt unsecured due on March 19, 2012 with interest rate of 1.79%	8,500	8,500
Fixed rate debt unsecured due on September 19, 2012 with interest rate of 1.84%	5,000	5,000
Fixed rate debt unsecured due on September 19, 2012 with interest rate of 1.71%	7,000	7,000
Fixed rate debt unsecured due on September 20, 2012 with interest rate of 1.40%	3,000	3,000
Fixed rate debt unsecured due on March 19, 2013 with interest rate of 1.69%	14,000	14,000
Fixed rate debt unsecured due on March 26, 2013 with interest rate of 1.69%	1,000	1,000
Fixed rate debt unsecured due on April 26, 2013 with interest rate of 2.20%	7,000	7,000
Fixed rate debt unsecured due on July 31, 2013 with interest rate of 1.94%	3,000	3,000
Fixed rate debt unsecured due on September 24, 2013 with interest rate of 1.46%	7,000	7,000
Fixed rate debt unsecured due on November 5, 2013 with interest rate of 1.36%	1,000	1,000
Fixed rate debt unsecured due by installments through September 18, 2014 with interest rate of 2.01% ^(*1)	4,687	4,562
Fixed rate debt unsecured due on June 17, 2015 with interest rate of 1.93%	5,056	5,056
Fixed rate debt unsecured due on July 29, 2015 with interest rate of 1.70%	5,000	5,000
Fixed rate debt unsecured due on March 30, 2016 with interest rate of 1.67%	—	13,300
Fixed rate debt unsecured due on April 27, 2016 with interest rate of 1.67%	—	17,000
Fixed rate debt unsecured due on June 27, 2016 with interest rate of 1.59%	—	15,000
Fixed rate debt unsecured due on July 27, 2016 with interest rate of 1.57%	—	5,000
Fixed rate debt unsecured due on July 27, 2019 with interest rate of 2.27%	—	4,000
Unsecured bonds due on February 25, 2013 with interest rate of 2.08% ^(*2)	12,000	12,000
Unsecured bonds due on January 27, 2014 with interest rate of 1.40% ^(*2)	5,000	5,000
Unsecured bonds due on August 12, 2014 with interest rate of 1.44% ^(*2)	5,000	5,000
Unsecured bonds due on November 18, 2015 with interest rate of 1.58% ^(*2)	5,000	5,000
Total.....	<u>145,243</u>	<u>167,418</u>
Grand total of short-term and long-term debt	<u>¥ 158,543</u>	<u>¥ 167,418</u>

Notes:

(*1) The loan is payable by quarterly installments of ¥63 million per quarter, with the remaining balance of ¥3,813 million due on September 18, 2014.

(*2) The bonds were issued with pari passu conditions among specified investment corporation bonds.

In the above table, the interest rate relating to the debt hedged by an interest rate swap for the purpose of avoiding interest rate volatility risk is the interest rate after reflecting the effect of the relevant interest rate swap.

The annual maturities of long-term debt as of August 31, 2011 were as follows.

	(In millions of yen)
Due within one year	¥20,250
Due after one to two years	55,750
Due after two to three years	18,250
Due after three to four years	13,868
Due after four to five years	55,300
Due after five years	4,000

OJR currently has commitment line contracts of ¥20,000 million with several financial institutions. The unused amount of such commitment line was ¥20,000 million as of August 31, 2011.

6. Per Unit Information

Net asset values per unit as of February 28, 2011 and August 31, 2011 were ¥561,847 and ¥543,084, respectively. Net income per unit was ¥13,083 for the six months ended February 28, 2011, and ¥12,307 for the six months ended August 31, 2011.

The weighted average numbers of units outstanding that were used for the computation of the amounts of net income per unit for the six months ended February 28, 2011 and August 31, 2011 was 251,622 and 268,843, respectively.

7. Income Taxes

As of February 28, 2011 and August 31, 2011, OJR recorded deferred tax assets and deferred tax liabilities as follows:

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
Deferred tax assets:		
Business facility tax payable not qualifying for deduction on tax returns	¥ 1	¥ 2
Allowance for doubtful receivables not qualifying for deduction on tax returns	1	1
Amortization of leasehold interests	2	6
Others	<u>1</u>	<u>2</u>
Total deferred tax assets	<u>¥ 5</u>	<u>¥ 11</u>
Deferred tax liabilities:		
Reserve for advanced depreciation of non-current assets	<u>¥ 174</u>	¥ —
Total deferred tax liabilities	<u>¥ 174</u>	<u>¥ —</u>

The reconciliation of tax rate difference between the statutory tax rate and the effective tax rate was as follows:

	For the six months ended	
	February 28, 2011	August 31, 2011
Statutory tax rate.....	40.75%	41.42%
Estimated allowable dividend distribution (*).....	(40.74)	(47.22)
Other.....	0.02%	0.31%
Effective tax rate.....	<u>0.03%</u>	<u>(5.49%)</u>

*OJR follows a policy of making dividend distributions in excess of 90% of earnings available for dividends for a period to meet conditions set forth in the Special Taxation Measures Law of Japan to deduct dividend distributions for income tax purposes. Based on this particular policy, as of February 28, 2011, OJR calculated the amounts of the dividend distributions as amounts nearly equal to the unappropriated retained earnings and

determined to pay out a distribution in cash of ¥3,292 million. Meanwhile, as of August 31, 2011, OJR calculated the amounts of the dividend distributions as amount of ¥3,576 million, which is nearly equal to the unappropriated retained earnings after adding the amount of the reversal of the reserve for advanced depreciation of non-current assets as stipulated in Article 66-2 of the Special Taxation Measures Law.

8. Net Assets

OJR shall maintain its net assets at least ¥50 million as required by the Investment Trust Law of Japan.

OJR may make distributions to unitholders out of, or even more than, its accounting profits calculated by deducting the sum of its unitholders' contribution from its net asset; provided, however, that such an aggregate distribution amount shall not exceed the amount remaining after deducting ¥100 million from its net asset amount.

As of August 31, 2011 and February 28, 2011, retained earnings include a reserve for advanced depreciation of non-current assets as stipulated in Article 66-2 of the Special Taxation Measures Law of ¥267 million.

Cash dividends are declared by the Board of Directors after the end of each period. Such dividends are payable to unitholders of record at the end of each period. As discussed in Note 18, on October 21, 2011, the Board of Directors of OJR declared a cash dividend (¥12,571 per unit) totaling ¥3,576 million, which will be paid to unitholders of record as of August 31, 2011. The declaration of this dividend has not been reflected in the financial statements as of August 31, 2011.

9. Related-Party Transactions

There were no related-party transactions that are required to be disclosed under Article 8-10 of regulations concerning financial statements for the six months ended February 28, 2011 and August 31, 2011, respectively.

10. Breakdown of Rental and Other Operating Revenues, and Property-Related Expenses

Rental and other operating revenues and property-related expenses for the six months ended February 28, 2011 and August 31, 2011 consisted of the following:

	(In millions of yen)	
	For the six months ended	
	February 28, 2011	August 31, 2011
Rental and other operating revenues:		
Rentals:		
Rental revenues.....	¥ 8,537	¥ 8,980
Common-area charges.....	783	772
Revenues from finance lease of property	<u>194</u>	<u>245</u>
Subtotal.....	<u>9,514</u>	<u>9,997</u>
Others:		
Parking lots.....	232	247
Cancellation penalty received.....	73	8
Miscellaneous.....	<u>922</u>	<u>950</u>
Subtotal.....	<u>1,227</u>	<u>1,205</u>
Total rental and other operating revenues.....	<u>¥ 10,741</u>	<u>¥ 11,202</u>
Property-related expenses:		
Property management fees.....	¥ 921	¥ 1,000
Depreciation.....	2,171	2,409
Utility charges.....	842	834
Property and other taxes.....	768	904
Cost of finance lease of property.....	74	86
Others.....	<u>170</u>	<u>349</u>
Total property-related expenses.....	<u>¥ 4,946</u>	<u>¥ 5,582</u>

11. Breakdown of Gains or Loss on Sale of Real Estate Properties

Gains or loss on sale of real estate properties during the periods ended February 28, 2011 and August 31, 2011 were as follows:

		(In millions of yen)	
		For the six months ended February 28, 2011	
Sonet Kami Ikebukuro			
Revenue from sale of real estate properties	¥	2,146	
Cost of real estate properties		2,174	
Other sales expenses		<u>22</u>	
Loss on sale of real estate properties	¥	<u>50</u>	

		(In millions of yen)	
		For the six months ended August 31, 2011	
Round-Cross Moto Yoyogi			
Revenue from sale of real estate properties	¥	4,807	
Cost of real estate properties		4,386	
Other sales expenses		<u>90</u>	
Gains on sale of real estate properties	¥	<u>331</u>	

12. Extraordinary Loss

Restoration costs for damaged property and equipment and other expenses related to the Great East Japan Earthquake have been recognized as extraordinary loss.

13. Leases

OJR, as a lessor, operates its properties that are rented to tenants on lease terms of generally two years, with monthly payments due in advance. For operating leases that include non-cancelable lease terms, the minimum future rentals on such non-cancelable operating leases as of February 28, 2011 and August 31, 2011 were as follows:

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
Due within one year	¥ 4,659	¥ 4,832
Due after one year	<u>19,653</u>	<u>19,561</u>
Total	<u>¥ 24,312</u>	<u>¥ 24,393</u>

In addition, OJR, as a lessor, leases its properties to customers under finance lease arrangements in which the ownership of the leased property is not deemed to be transferred to the lessee. The following provides certain information for those lease transactions:

(a) Breakdown of investment in finance lease

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
Minimum lease payments receivable	¥ 4,918	¥ 5,152
Estimated residual value	1,356	1,860
Unearned interest income equivalents	<u>(2,838)</u>	<u>(3,014)</u>
Investment in finance lease	<u>¥ 3,436</u>	<u>¥ 3,998</u>

(b) Amounts to be collected of minimum lease payments receivable related to investment in finance lease

	(In millions of yen)	
	As of February 28, 2011	As of August 31, 2011
Due within one year	¥ 352	¥ 446
Due after one to two years	352	446
Due after two to three years	352	446
Due after three to four years	352	446
Due after four to five years	352	386
Over five years	<u>3,158</u>	<u>2,982</u>
Total	<u>¥ 4,918</u>	<u>¥ 5,152</u>

(c) As for finance lease transactions entered into during the fiscal periods started before April 1, 2008 that do not transfer ownership of the leased property to the lessee, their proper book value as fixed assets (net of accumulated depreciation) recorded at the end of August 2008 was transferred from property and equipment to investment in finance lease as the initial recorded amount of the investment in finance lease at the beginning of the fiscal period started on September 1, 2008, as permitted by the Japanese GAAP.

The interest income equivalents of those finance lease transactions are taken into income over the remaining lease term based on a straight-line method.

Consequently, income before income taxes for the period ended February 28, 2011 and August 31, 2011 is ¥26 million less and ¥25 million less, respectively, than the amount that would have been recorded had those finance lease transactions been retrospectively accounted for as financing by using the interest method.

14. Derivative Transaction

OJR uses a derivative transaction in order to hedge risks defined in its Articles of Incorporation based on its financial policy. OJR uses a derivative financial instrument such as an interest rate swap only for the purpose of avoiding future risks of interest rate increases relating to a loan, but does not enter into such transactions for speculative or trading purposes.

The derivative transactions as of February 28, 2011 and August 31, 2011 were as follows:

	Notional amount	(In millions of yen)	
		Notional amount exceeding one year	Estimated fair value Unrealized gain (loss)
< As of February 28, 2011 >			
Interest-rate swap:			
Fixed rate payable and floating rate receivable	¥ 8,500	¥ 8,500	¥ (94)
< As of August 31, 2011 >			
Interest-rate swap:			
Fixed rate payable and floating rate receivable	¥ 8,500	¥ —	¥ (58)

The fair value of the interest rate swap is estimated using a price that is calculated by the counterparty based on current market interest rate and other relevant information.

Since the above interest rate swap qualifies for hedge accounting and meets certain matching criteria, the swap is not recorded at fair value on the accompanying balance sheets, as described in the summary of significant accounting policies.

In addition, since the swap, and the long-term debt or long-term debt due within one year which is hedged by the swap are accounted for as a unit, fair value of the swap is disclosed as part of the fair value of the hedged long-term debt or long-term debt due within one year in the fair value disclosure in Note 4, "Financial instruments."

15. Investment and Rental Property

(For the period from September 1, 2010 to February 28, 2011)

OJR owns rental office buildings and other properties for rent in the Tokyo Metropolitan area and other areas. Book value, net change in the book value and fair value are shown in the following table.

Book value			Fair value
As of August 31, 2010	Net change during period	As of February 28, 2011	As of February 28, 2011
¥285,930	¥8,598	¥294,528	¥281,499

Notes: 1. Book value is calculated by deducting accumulated depreciation from acquisition cost.

2. The principal increase in the book value during the period includes acquisition of three properties (ORE

Sapporo Building, Okayama Kume Retail Facility, Shibaura Island Bloom Tower) for ¥12,744 million. The major decrease during the period is attributable to the disposal of one property (Sonet Kami Ikebukuro) of ¥2,047 million, and recognition of depreciation expenses.

3. Fair value as of the end of the current accounting period is determined based on appraised value provided by independent real estate appraisers.

Profit and loss of the rental properties for the period ended February 28, 2011 is disclosed in Note 10, “Breakdown of Rental and Other Operating Revenues, and Property-Related Expenses” and Note 11, “Breakdown of Gains and loss on sale of Real Estate Properties.”

(For the period from March 1, 2011 to August 31, 2011)

OJR owns rental office buildings and other properties for rent in the Tokyo Metropolitan area and other areas. Book value, net change in the book value and fair value are shown in the following table.

			(In millions of yen)
Book value		Fair value	
As of February 28, 2011	Net change during period	As of August 31, 2011	As of August 31, 2011
¥294,528	¥25,823	¥320,351	¥310,323

Notes: 1. Book value is calculated by deducting accumulated depreciation from acquisition cost.

2. The principal increase in the book value during the period includes acquisition of nine properties (Akihabara Business Center, Komaki Logistics Center, Maruetsu Sagamino, We Will Hatchobori, Shibaura Island Air Tower, Belle Face Kamata, Belle Face Hongo Yumicho, Belle Face Osaka Shinmachi and Belle Face Amagasaki) for ¥32,429 million. The major decrease during the period is attributable to the disposal of one property (Round-Cross Moto Yoyogi) of ¥4,386 million, and recognition of depreciation expenses.

3. Fair value as of the end of the current accounting period is determined based on appraised value provided by independent real estate appraisers.

Profit and loss of the rental properties for the period ended August 31, 2011 is disclosed in Note 10, “Breakdown of Rental and Other Operating Revenues, and Property-Related Expenses” and Note 11, “Breakdown of Gains and loss on sale of Real Estate Properties.”

16. Asset retirement obligations

In accordance with fixed-term lease agreements, OJR has obligations associated with restoration of leased land to their original state upon their return. OJR recognizes such obligations by amortizing leasehold and security deposits.

17. Segment Information

Effective from the fiscal period ended February 28, 2011, OJR adopted the “Accounting Standard for Disclosure about Segment Information” (ASBJ Statement No.17 issued on March 27, 2009) and the “Guidance on Accounting Standard for Disclosure about Segment Information” (ASBJ Guidance No.20 Issued on March 21, 2008).

(For the periods from March 1, 2011 to August 31, 2011 and from September 1, 2010 to February 28, 2011)

<Segment Information>

Segment information has been omitted because OJR has only one segment, which is real estate leasing business.

<Related Information>

1. Information by Products and Services

Disclosure of this information has been omitted because operating revenues from external customers in a single product/service category account for more than 90% of total operating revenues.

2. Information by Geographic Areas

(a) Operating revenues

Disclosure of this information has been omitted because operating revenues from external customers in Japan account for more than 90% of total operating revenues.

(b) Property and equipment

Disclosure of this information has been omitted because the amount of property and equipment located in Japan accounts for more than 90% of net property and equipment.

3. Information by Major Customer

Disclosure of this information has been omitted because operating revenues from a single external customer account for less than 10% of total operating revenues.

18. Subsequent Events

Cash Distribution Declared

On October 21, 2011, the Board of Directors of OJR resolved to distribute cash payment of ¥12,571 per unit, aggregating to ¥3,576 million, to its unitholders of record as of August 31, 2011.

Corporate Data

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Date of Incorporation

September 10, 2001

Capital (as of August 31, 2011)

¥150,896 million

284,434 units

Number of Unitholders (as of August 31, 2011)

17,635

Transfer Agent

The Sumitomo Trust and Banking Company, Limited.

5-33, Kitahama 4-chome, Chuo-ku, Osaka, 540-8639, Japan

Independent Auditors

KPMG AZSA LLC

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Investor Relations

For further information, please contact our asset management company or visit our web site.

(<http://www.orixjreit.com/english/index.htm>)

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About Our Website

The website has been designed with focus on “Ease of Use,” “Abundance of Information” and “Ease of Understandability” from the viewpoint of unitholders.

<http://www.orixreit.com/english/>

Details of Properties

1

With the introduction of Google Maps, information on the surrounding areas of respective properties can now be obtained in more detail.

2

It is now easier to gather information on properties with related news releases supplementing other information related to properties.

Properties

3

Searches specific to “Use,” “Area,” “Property Size” and “Acquisition Price” can now be made, in addition to sorting functions by “Completion,” “Total Floor Area” and “Acquisition Price.”

News Releases

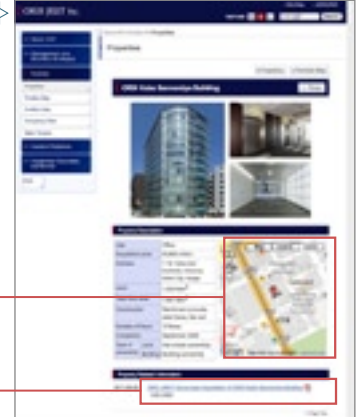
4

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Details of Properties



Properties



News Releases



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The financial statements of OJR have been prepared in accordance with accounting principles generally accepted in Japan (the “Japanese GAAP”), which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards.

This report contains forward-looking statements, including forecasts of financial position, results of operations, and business-related matters, as well as statements related to the plans and goals of the management of OAM. However, there are a number of known and unknown risks and uncertainties that can cause actual results or OJR performance to differ materially from any explicit or implicit forecasts presented herein. These forward-looking statements also rest on a number of assumptions with regard to OJR’s present and future management strategies, as well as the political and economical environments in which OJR will conduct its future business operations.