

<Press Release>

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<For Immediate Release>

ORIX JREIT INC. ANNOUNCES
SECOND FISCAL PERIOD RESULTS

DISTRIBUTION PER UNIT 10.5% ABOVE ESTIMATE

Summary of Financial Results

ORIX JREIT Inc. (OJR) announced today results for the second fiscal period ended 28 February 2003.

Total operating revenue in the period was ¥4,804 million, income before income taxes was ¥1,915 million, net income was ¥1,913 million, and distribution amount was ¥1,912 million or ¥15,501 per unit. The distribution per unit exceeded the initial estimate of ¥14,024 by 10.5%.

Total acquisition cost of the OJR portfolio composed of 40 properties was ¥104.9 billion as of 28 February 2003. Independent appraisal firms appraised the entire portfolio and the total appraisal value was ¥ 103.1 billion as of 28 February 2003.

As of 28 February 2003, OJR's total assets were approximately ¥120,985 million, interest-bearing debt was ¥48,500 million composed of ¥43,000 million long-term debt

and ¥5,500 million short-term debt, and total unitholders' equity was ¥63,613million, or ¥515,623 per unit.

Although the actual operating period of the first fiscal period was approximately 8.4 months calculated by the weighted average acquisition price of 39 properties, the second fiscal period was 6 months from 1 September 2002 to 28 February 2003. In addition to these 39 properties, OJR newly acquired the Sunny Building for ¥5.3 billion which is located adjacent to the west exit of the Shinjuku railway station on 30 September 2002. Consequently, OJR owns 40 properties either in entirety or partially, with an aggregate contracted acquisition price of ¥104.9 billion as of the end of the second fiscal period.

OJR Overview

OJR was established on 10 September 2001 and began to acquire properties in December 2001 in preparation for its initial public offering. On 12 June 2002, OJR was listed and commenced trading on the Tokyo Stock Exchange as the 4th listed Real Estate Investment Trust in Japan, or "JREIT". A JREIT is an externally-managed property fund formed under the Investment Trust Law of Japan. ORIX Asset Management Corporation ("OAM"), a wholly-owned subsidiary of ORIX Corporation (TSE: 8591, NYSE: IX) is the asset manager of OJR.

Second Fiscal Period Highlights

Portfolio Profile

As of 28 February 2003, OJR owns total 40 properties consisting of 33 office properties, 3 residential properties and 4 other properties including a hotel and retail properties. OJR leased approximately 140,545 m² of space to 222 tenants. The occupancy rate as of 28 February 2003 was approximately 95.6%.

Debt Financing

On 20 March 2002, OJR obtained ¥43 billion of long-term debt from syndicated lenders. The ¥43 billion long-term debt comprises ¥17.5 billion of fixed rate and ¥25.5 billion of floating rate borrowings and the term is from 20 March 2002 to 20 March 2007.

Besides this, OJR newly obtained ¥5.5 billion short-term debt with floating rate from lenders such as The Sumitomo Trust & Banking when OJR acquired The Sunny Building. The term of the short-term debt is from 18 November 2002 to 22 September 2003.

Optimal Property Management

Through an open bidding process held in the first fiscal period for property management services, OJR successfully reduced the total property management costs by 14% starting from 1 August 2002. In the second fiscal period, OJR conducted a similar open bidding process and negotiation to reduce the fee for building management services of 26 properties, which was successful in reducing the total property management costs by an additional 13% from 1 December 2002.

Acquisitions

On 18 April 2003, OJR acquired the ORIX Ikebukuro Building for ¥9.8 billion from ORIX Real Estate Corporation. The building has a total area of 6,905.23 m², consisting of nine above-ground floors and one below-ground floor. The building is located within 300 meters from the East exit of Ikebukuro station, which is a major hub for the several railways including JR lines and subways in central Tokyo, and is located in a major shopping district of the Ikebukuro area. OJR made a contract to lease for 4,157.69 m² out of the total rentable space of 5,539.92 m² with main tenant TAC CO., LTD for a 10-year fixed term. The remaining space has also been leased entirely to two tenants and so the occupancy rate is 100%. Based on the report from an independent appraiser, the yield on net cash flow is estimated to be 5.6%.

OJR continues to actively seek for additional property acquisitions.

Third and Fourth Fiscal Period Forecast

In accordance with Tokyo Stock Exchange listing requirements, OJR has estimated certain financial results for the third and fourth fiscal period.

The third fiscal period from 1 March 2003 to 31 August 2003 for 6 months, OJR forecasts gross revenues of ¥5,077 million, income before income taxes of ¥1,759

million, and net income of ¥1,759 million. The estimated distribution amount per unit for the period is ¥14,262.

The fourth fiscal period from 1 September 2003 to 29 February 2004 for 6 months, OJR forecasts gross revenues of ¥5,169 million, income before income taxes of ¥1,772 million, and net income of ¥1,772 million. The estimate of the distribution amount per unit for the period is ¥14,365.

Cf. Important Notice

Information Disclosure to Investors

OJR keeps intending to maintain a policy of timely disclosure of important information in both English and Japanese languages. For more information on OJR, please visit its website at <http://www.orixjreit.com>.

Important Notice

In formulating the estimated forecast for the third and the fourth fiscal period, certain assumptions have been made. We consider these assumptions to be appropriate and reasonable based on the information available to us when we projected. However, our actual results of operations, and therefore the distribution per unit, may differ from our expectations and will be affected by a number of factors, many of which are out of our control, or may not be capable of being foreseen or accurately predicted. For example, our actual distribution amount could be affected by the rental revenues we actually receive from our properties, our operating expenses, interest expense and the ability of our tenants to meet their financial obligations during the relevant period. It may also be affected by economic conditions in Japan and conditions relating to the real estate market in Japan, particularly in Tokyo. These factors and others could also affect the validity of the assumptions that we used in the preparation of our estimated forecast. No assurance can be given by us or by any other party that our estimates will prove accurate.

(Summary Financial Information Attached)

ORIX JREIT Inc.
BALANCE SHEETS

As of 28 February 2003 and 31 August 2002

	As of 28 February 2003	As of 31 August 2002
(In millions of yen)		
Assets		
Current assets:		
Cash and deposits	¥ 14,205	¥ 12,414
Rental receivables	140	209
Consumption tax refundable	-	1,973
Prepaid expenses	84	77
Other current assets	18	18
Less-Allowance for doubtful receivables	(8)	(2)
Total current assets	14,439	14,689
Property and equipment, at cost:		
Land	61,632	57,095
Buildings and structures	33,916	33,022
Building improvements	10,744	10,314
Machinery and equipment	903	887
	107,195	101,318
Less-Accumulated depreciation	(1,740)	(1,015)
Net property and equipment	105,455	100,303
Other assets:		
Leasehold interests	885	885
Others	206	164
Total assets	¥ 120,985	¥ 116,041
Liabilities and Unitholders' Equity		
Liabilities		
Current liabilities:		
Trade and other payables	¥ 618	¥ 485
Short-term debt	5,500	-
Accrued expenses	97	92
Rents received in advance	723	762
Consumption tax payable	78	-
Other current liabilities	3	68
Total current liabilities	7,019	1,407
Long-term debt	43,000	43,000
Leasehold and security deposits received	7,353	7,162
Total liabilities	57,372	51,569
Unitholders' equity		
Unitholders' capital	61,700	61,700
Units Authorized: 2,000,000 units		
Units Issued and Outstanding: 123,372 units		
Retained earnings	1,913	2,772
Total unitholders' equity	63,613	64,472
Total liabilities and unitholders' equity	¥ 120,985	¥ 116,041

ORIX JREIT Inc.
STATEMENTS OF INCOME

For the six months ended 28 February 2003 and for the period from 10 September 2001(date of incorporation) to 31 August 2002

	For the period from 1 September 2002 to 28 February 2003	For the period from 10 September 2001 to 31 August 2002
<u>(In millions of yen)</u>		
Revenues:		
Rental and other operating revenues	¥ 4,804	¥ 6,719
Interest income	2	3
Other revenues	5	2
Total revenue	4,811	6,724
Costs and expenses:		
Property-related expenses	2,145	2,774
Asset management fees	297	227
Administrative service fees	100	127
Interest expense	234	371
Issuance costs of investment units	-	4
Initial public offering costs	-	224
Start-up costs	-	97
Other expenses	120	126
Total costs and expenses	2,896	3,950
Income before income taxes:	1,915	2,774
Provision for income taxes		
Current	1	6
Deferred	1	(4)
Net income:	¥ 1,913	¥ 2,772

	(Yen)	
Earnings per unit:		
Net income	¥ 15,509	¥ 46,301
Weighted average number of units outstanding	123,372	59,880

ORIX JREIT Inc.
STATEMENTS OF CASH FLOWS

For the six months ended 28 February 2003 and for the period from 10 September 2001(date of incorporation) to 31 August 2002

	For the period from 1 September 2002 to 28 February 2003	For the period from 10 September 2001 to 31 August 2002
(In millions of yen)		
Cash Flows from Operating Activities:		
Income before income taxes	¥ 1,915	¥ 2,774
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	726	1,027
Long-term prepaid expenses	13	-
Allowance for doubtful receivables	6	2
Interest income	(2)	(3)
Interest expense	234	371
Changes in assets and liabilities:		
Rental receivables	69	(209)
Consumption tax refundable	1,973	(1,973)
Consumption tax payable	78	-
Prepaid expenses	(32)	(51)
Trade and other payables	13	376
Rents received in advance	(39)	762
Payments of long-term prepaid expenses	-	(130)
Others, net	(43)	51
Subtotal	4,911	2,997
Cash proceeds from interest income	1	3
Cash payments of interest expense	(225)	(284)
Cash payments of income taxes	(6)	-
Net cash provided by operating activities	4,681	2,716
Cash Flows from Investing Activities:		
Payments for investing in time deposits	(7,195)	-
Purchases of property and equipment	(5,805)	(101,211)
Purchases for leasehold rights	-	(885)
Proceeds from leasehold and security deposits received	708	8,315
Repayments of leasehold and security deposits received	(518)	(1,153)
Others, net	(27)	(68)
Net cash used in investing activities	(12,837)	(95,002)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	5,500	-
Proceeds from long-term debt	-	43,000
Proceeds from issuance of investment units	-	61,700
Payment of dividends	(2,748)	-
Net cash provided by financing activities	2,752	104,700
Net change in cash and cash equivalents	(5,404)	12,414
Cash and cash equivalents at beginning of period	12,414	-
Cash and cash equivalents at end of period	¥ 7,010	¥ 12,414

Property Data 1

	Property Name	Appraisal Value (¥ Million)	Appraiser	% of share	Reference Information					Book Value (¥ Million)	Investment Share (%)
					DC Value (¥ Million)	CR (%)	DCF Value (¥ Million)	CR (%)	TCR (%)		
Office	Tokyo Central 3 Wards										
	Akasaka Kyowa	1,754	Tanizawa	1.70	1,828	6.0	1,722	6.0	6.4	2,122	1.75
	Aoyama Suncrest	3,307	Tanizawa	3.21	3,383	5.9	3,275	6.2	6.5	3,398	2.81
	Ascend Kanda	675	Tanizawa	0.65	687	6.1	670	6.3	6.6	689	0.57
	Nikko Ichi-bancho	3,799	Tanizawa	3.68	4,039	5.4	3,696	5.5	5.9	3,904	3.23
	VX Kayabacho	935	Tanizawa	0.91	940	5.6	935	5.7	5.9	904	0.75
	DaVinci Shiroganedai	1,196	Tanizawa	1.16	1,267	5.7	1,166	5.8	6.1	1,375	1.14
	DaVinci Higashi Nihonbashi	1,813	Tanizawa	1.76	1,839	5.6	1,802	5.6	6.1	1,747	1.44
	DaVinci Akasaka Mitsuke	1,716	Tanizawa	1.66	1,766	5.5	1,694	5.4	6.0	1,688	1.40
	DaVinci Shiba 2	748	Tanizawa	0.73	775	5.5	737	5.7	6.0	721	0.60
	DaVinci Aoyama	4,802	Tanizawa	4.66	5,011	5.0	4,712	5.3	5.5	4,721	3.90
	Landic Minami Azabu	1,249	Chuo	1.21	1,111	6.6	1,249	6.3	7.1	1,429	1.18
	Landic Akasaka	10,690	Chuo	10.37	10,170	5.7	10,690	5.4	6.3	11,840	9.79
	Landic Akasaka 2	2,502	Chuo	2.43	2,446	6.1	2,502	5.8	6.6	2,698	2.23
	Landic Akasaka 3	634	Chuo	0.62	630	6.1	634	5.8	6.6	732	0.61
	Landic Mita 2	1,726	Chuo	1.67	1,710	5.9	1,726	5.6	6.4	1,784	1.47
	Shiba Daimon	2,260	Chuo	2.19	2,209	5.9	2,260	5.6	6.4	2,262	1.87
	Landic Naqai	3,076	Chuo	2.98	2,939	6.4	3,076	6.1	6.9	3,457	2.86
		Subtotal	42,882		41.58					45,477	37.59
	Other Tokyo Wards										
	Carrot Tower	4,916	Tanizawa	4.77	5,183	6.0	4,801	6.1	6.5	5,458	4.51
	Center Machiya	588	Tanizawa	0.57	627	6.6	571	6.8	7.1	615	0.51
	Toyo MK	5,037	Tanizawa	4.88	5,096	6.5	5,012	6.6	7.0	5,239	4.33
	Nikko Moto Yoyogi	5,013	Tanizawa	4.86	Note1	Note1 -	5,013	6.4	7.2	5,069	4.19
	Nikko Kagurazaka	1,719	Tanizawa	1.67	1,736	6.0	1,712	6.0	6.5	1,597	1.32
	Round-Cross Nishi Shinjyuku	2,663	Tanizawa	2.58	2,792	5.1	2,608	5.5	5.6	2,679	2.21
	DaVinci Gotanda	638	Tanizawa	0.62	637	6.4	639	6.5	6.9	593	0.49
	DT Gaien	2,610	Tanizawa	2.53	2,693	5.5	2,574	5.6	6.0	2,436	2.01
	DaVinci Kiba	2,425	Tanizawa	2.35	2,496	6.4	2,394	6.5	6.9	2,495	2.06
	DaVinci Waseda	1,671	Tanizawa	1.62	1,730	5.6	1,646	5.8	6.1	1,639	1.36
	DaVinci Yoyogi	1,483	Tanizawa	1.44	1,543	5.7	1,457	5.8	6.2	1,501	1.24
	Landic Gotanda	2,180	Chuo	2.11	1,956	6.3	2,180	6.0	6.8	2,134	1.76
	Sunny Building	5,550	Tanizawa	5.38	5,759	5.5	5,460	5.8	6.0	5,554	4.59
		Subtotal	36,493		35.38					37,016	30.60
	Greater Tokyo										
	Neo City Mitaka	2,188	Tanizawa	2.12	2,262	6.1	2,156	6.3	6.6	2,224	1.84
	Subtotal	2,188		2.12					2,224	1.84	
Other parts of Japan											
OX Basho no Tsuji	706	Tanizawa	0.68	752	6.9	686	7.0	7.4	903	0.75	
OX Otsu	205	Tanizawa	0.20	207	7.5	204	7.2	8.0	187	0.16	
	Subtotal	911		0.88					1,091	0.90	
Office Total		82,474		79.97					85,809	70.93	
Residential											
Tokyo Central 3 Wards											
Park Axis Nishi Azabu Stage	1,241	Tanizawa	1.20	1,300	4.8	1,215	5.0	5.1	1,228	1.02	
	Subtotal	1,241		1.20					1,228	1.02	
Other Tokyo Wards											
Grand Maison Hakusan	467	Tanizawa	0.45	466	6.1	468	6.2	6.4	461	0.38	
Sonet Kami Ikebukuro	2,402	Tanizawa	2.33	2,529	5.7	2,347	5.8	6.0	2,391	1.98	
	Subtotal	2,869		2.78					2,853	2.36	
Residential Total		4,110		3.99					4,081	3.37	
Others											
Other Tokyo Wards											
OX Kameido	453	Tanizawa	0.44	442	6.8	458	6.9	7.3	443	0.37	
	Subtotal	453		0.44					443	0.37	
Greater Tokyo											
Cross Gate	15,010	Tanizawa	14.55	15,510	6.8	14,790	7.2	7.4	14,960	12.37	
	Subtotal	15,010		14.55					14,960	12.37	
Other parts of Japan											
OX Mito	521	Tanizawa	0.51	521	7.4	521	7.5	7.9	505	0.42	
OX Gifu	565	Tanizawa	0.55	568	7.3	564	7.5	7.8	539	0.45	
	Subtotal	1,086		1.05					1,045	0.86	
Others Total		16,549		16.05					16,448	13.60	
Grand Total		103,133		100.00					106,340	87.90	

Note1 Due to the widening of the road in front of this property, it seems substantially difficult to reconstruct the property as the same when the economic life of the building has passed. Therefore we did not evaluate a DCF Value.

Note2 Individual numbers may not add up to totals due to rounding.

Note3 Individual numbers of each value are rounded down to million yen places.

Property Data 2

	Property Name	Number of Tenants	Rented Space (㎡)	Gross Rentable Space (㎡)	Occupancy Rate (%)	Rental Revenue (¥)	Deposit (¥)		
Office	Tokyo Central 3 Wards	Akasaka Kyowa	6	2,895.48	3,382.28	85.6%	15,017,260	143,501,000	
		Aoyama Suncrest	5	2,805.62	2,805.62	100.0%	26,093,995	316,902,660	
		Ascend Kanda	2	826.50	826.50	100.0%	Note 1	Note 1	
		Nikko Ichi-bancho	8	3,300.66	3,300.66	100.0%	23,699,115	249,808,190	
		VX Kayabacho	1	1,489.75	1,489.75	100.0%	Note 1	Note 1	
		DaVinci Shiroganedai	13	1,730.56	2,093.84	82.7%	7,427,929	36,543,809	
		DaVinci Higashi Nihonbashi	7	2,275.05	2,275.05	100.0%	11,766,860	115,445,627	
		DaVinci Akasaka Mitsuke	9	1,173.08	1,323.27	88.7%	9,041,413	104,114,546	
		DaVinci Shiba 2	8	1,044.23	1,171.33	89.2%	4,577,248	43,531,395	
		DaVinci Aoyama	10	3,387.38	3,387.38	100.0%	28,231,221	345,555,590	
		Landic Minami Azabu	3	2,163.90	3,182.80	68.0%	8,965,256	62,916,708	
		Landic Akasaka	20	9,755.00	10,560.15	92.4%	67,819,014	783,085,078	
		Landic Akasaka 2	11	2,786.86	2,786.86	100.0%	17,706,936	230,462,582	
		Landic Akasaka 3	6	636.99	812.49	78.4%	4,288,320	57,371,128	
		Landic Mita 2	2	2,307.17	2,353.67	98.0%	Note 1	Note 1	
		Shiba Daimon	1	2,588.50	2,588.50	100.0%	Note 1	Note 1	
	Landic Naqai	9	3,425.13	3,996.89	85.7%	20,893,259	266,667,477		
	Subtotal		121	44,591.86	48,337.04	92.3%	286,325,618	3,117,595,788	
	Other Tokyo Wards	Carrot Tower	7	6,916.91	6,916.91	100.0%	45,500,410	394,440,590	
		Center Machiya	1	1,186.05	1,186.05	100.0%	Note 1	Note 1	
		Toyo MK	10	9,451.03	9,808.28	96.4%	39,360,540	343,090,270	
		Nikko Moto Yoyogi	2	7,804.12	7,804.12	100.0%	Note 1	Note 1	
		Nikko Kagurazaka	5	2,002.62	2,276.38	88.0%	10,852,467	122,358,514	
		Round-Cross Nishi Shinjyuku	7	1,248.18	1,248.18	100.0%	14,474,598	282,485,728	
		DaVinci Gotanda	5	1,785.25	1,785.25	100.0%	5,893,465	40,045,980	
		DT Gaien	6	2,566.86	2,566.86	100.0%	16,851,099	145,784,447	
		DaVinci Kiba	4	4,859.94	4,859.94	100.0%	18,270,217	155,539,520	
		DaVinci Waseda	5	1,973.16	2,311.71	85.4%	10,470,545	89,200,290	
		DaVinci Yoyogi	14	1,960.60	1,960.60	100.0%	9,773,260	88,046,663	
		Landic Gotanda	1	2,575.92	2,575.92	100.0%	Note 1	Note 1	
		Sunny Building	1	4,272.24	4,635.55	92.2%	33,599,020	290,760,750	
		Subtotal		68	48,602.88	49,935.75	97.3%	255,889,624	2,707,318,458
		Greater Tokyo	Neo City Mitaka	6	4,622.21	4,622.21	100.0%	21,151,709	118,485,144
Subtotal			6	4,622.21	4,622.21	100.0%	21,151,709	118,485,144	
Other parts of Japan	OX Basho no Tsuji	5	1,518.38	2,570.24	59.1%	Note 2	Note 2		
	OX Otsu	2	910.67	910.67	100.0%	Note 1	Note 1		
Subtotal		7	2,429.05	3,480.91	69.8%	8,458,178	68,595,960		
Office Total		202	100,246.00	106,375.91	94.2%	571,825,129	6,011,995,350		
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	1	1,337.31	1,337.31	100.0%	Note 1	Note 1	
		Subtotal	1	1,337.31	1,337.31	100.0%	Note 1	16,153,800	
	Other Tokyo Wards	Grand Maison Hakusan	1	1,160.17	1,160.17	100.0%	Note 1	Note 1	
		Sonet Kami Ikebukuro	1	5,853.00	5,853.00	100.0%	Note 1	Note 1	
Subtotal		2	7,013.17	7,013.17	100.0%	Note 1	Note 1		
Residential Total		3	8,350.48	8,350.48	100.0%	24,371,120	26,153,800		
Others	Other Tokyo Wards	OX Kameido	1	1,233.59	1,233.59	100.0%	Note 1	Note 1	
		Subtotal	1	1,233.59	1,233.59	100.0%	Note 1	Note 1	
	Greater Tokyo	Cross Gate	14	25,629.90	25,952.60	98.8%	102,484,190	1,108,091,280	
		Subtotal	14	25,629.90	25,952.60	98.8%	102,484,190	1,108,091,280	
	Other parts of Japan	OX Mito	1	2,470.77	2,470.77	100.0%	Note 1	Note 1	
OX Gifu		1	2,614.64	2,614.64	100.0%	Note 1	Note 1		
Subtotal		2	5,085.41	5,085.41	100.0%	9,229,000	150,317,781		
Others Total		17	31,948.90	32,271.60	99.0%	114,713,190	1,314,525,623		
Grand Total		222	140,545.38	146,997.99	95.6%	710,909,439	7,352,674,773		

Note 1 OJR leases the property to one or two tenants, or one specific tenant contributes 80% or more of Rental Revenue from the property. We were not able to obtain consent from such tenant to disclose certain information including the amount of rent payable. Consequently, OJR does not disclose rental revenue from the property owing to such unavoidable circumstances.

Note 2 One of the two properties included in Other Tokyo Wards is a property as described under Note 1. Consequently, OJR does not disclose rental revenue from the property owing to such unavoidable circumstances.