

ORIX JREIT Inc.
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**ORIX JREIT Inc. announces the third fiscal period
results that exceed the original DPU forecast by 6.9%**

Summary of Financial Results

ORIX JREIT Inc. (OJR) announced today results for the third fiscal period ended 31 August 2003. Total operating revenue for the period was ¥5,121 million, income before income taxes was ¥1,884 million, net income was ¥1,882 million, and distribution amount will be ¥1,881 million or ¥15,246 per unit. The distribution per unit will exceed OJR's estimate of ¥14,262 by 6.9%. The pay out ratio will be 99.9%.

As of 31 August 2003, OJR's total assets were approximately ¥131,733 million, interest-bearing debt was ¥58,300 million composed of ¥43,000 million of long long-term debt and ¥15,300 million of short short-term debt, and total unitholders' equity was ¥63,583million, or ¥515,380 per unit.

Highlights

Acquisitions :

On 18 April 2003, OJR acquired ORIX Ikebukuro Building for ¥9.577 billion from ORIX Real Estate Corporation. The building has the gross floor area of 6,905.23 m², consisting of nine above-ground floors and one below-ground floor. The property 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. ORIX Ikebukuro Building belongs to the Ikebukuro area, one of the busiest commercial districts in Tokyo. OJR made a contract to lease for 4,157.69 m² out of the total rentable space of 5,539.92 m² with the major tenant TAC CO., LTD, a Tokyo Stock Exchange (second section) listed personal education firm, for a 10-year fixed term. The remaining space has been leased to two other tenants and the occupancy rate has been 100%. Based on the report from an independent appraiser, the net cash flow yield is estimated to be 5.6%. OJR continues to actively seek opportunities for additional property acquisitions.

Portfolio Profile :

As of 31 August 2003, OJR owns 41 properties that consist of 34 office properties, 3 residential properties and 4 other properties including a hotel and retail properties. OJR leased approximately 146,878 m² of space to 234 tenants. OJR's portfolio occupancy rate as of 31 August 2003 was approximately 96.3%. ORIX Ikebukuro Building was the only property that has been added to OJR's portfolio during the third fiscal period.

The total acquisition cost of the 41 properties, including ORIX Ikebukuro Building, was ¥114.492 billion as of 31 August 2003. The OJR portfolio's appraisal value, evaluated by two of major Japanese real estate appraisers, was ¥ 111.460 billion as of 31 August 2003.

Debt Financing :

On 18 April 2003, OJR secured ¥9.8 billion of short-term debt from syndicated lenders to acquire ORIX Ikebukuro Building. The debt will mature in 22 March 2004.

Fourth Fiscal Period Forecast

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

For the fourth fiscal period from 1 September 2003 to 29 February 2004 for 6 months, OJR forecasts gross revenues of ¥6,020 million, income before income taxes of ¥2,291 million, and net income of ¥2,291 million. The estimated distribution per unit for the period is ¥13,064. The assumptions for this particular forecast include but not limited to following factors.

〳 OJR's portfolio of 46 buildings that includes four properties acquired on 29 September 2003 and one new property to be acquired late October 2003.

〳 Total number of investment units of 175,372 that includes additional units of 52,000 issued through public offering completed on 18 September 2003.

OJR Overview

OJR was established on 10 September 2001 and was listed and commenced trading on the Tokyo Stock Exchange as the 4th listed Real Estate Investment Trust in Japan, or "JREIT" on 12 June 2002. 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 (ADR)), is the asset manager of OJR.

[Important Notice]

Information Disclosure to Investors

OJR intends 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.orixreit.com/english/index.htm>.

Important Notice

In formulating the estimated forecast for 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 31 August 2003 and 28 February 2003

	As of 31 August 2003	As of 28 February 2003
(In millions of yen)		
Assets		
Current assets:		
Cash and deposits	¥ 15,406	¥ 14,205
Rental receivables	197	140
Consumption tax refundable	55	-
Prepaid expenses	75	84
Other current assets	18	18
Less-Allowance for doubtful receivables	(2)	(8)
Total current assets	15,749	14,439
Property and equipment, at cost:		
Land	68,262	61,632
Buildings and structures	36,359	33,916
Building improvements	11,688	10,744
Machinery and equipment	1,083	903
	117,392	107,195
Less-Accumulated depreciation	(2,521)	(1,740)
Net property and equipment	114,871	105,455
Other assets:		
Leasehold interests	885	885
Others	228	206
Total assets	¥ 131,733	¥ 120,985
Liabilities and Unitholders' Equity		
Liabilities		
Current liabilities:		
Trade and other payables	¥ 859	¥ 618
Short-term debt	15,300	5,500
Accrued expenses	121	97
Rents received in advance	840	723
Consumption tax payable	-	78
Other current liabilities	4	3
Total current liabilities	17,124	7,019
Long-term debt	43,000	43,000
Leasehold and security deposits received	8,026	7,353
Total liabilities	68,150	57,372
Unitholders' equity		
Unitholders' capital	61,700	61,700
Units Authorized: 2,000,000 units		
Units Issued and Outstanding: 123,372 units		
Retained earnings	1,883	1,913
Total unitholders' equity	63,583	63,613
Total liabilities and unitholders' equity	¥ 131,733	¥ 120,985

ORIX JREIT Inc.
STATEMENTS OF INCOME

For the six months ended 31 August 2003 and 28 February 2003

	For the period from 1 March 2003 to 31 August 2003	For the period from 1 September 2002 to 28 February 2003
<hr/> <hr/> (In millions of yen)		
Revenues:		
Rental and other operating revenues	¥ 5,121	¥ 4,804
Interest income	2	2
Other revenues	0	5
Total revenue	5,123	4,811
Costs and expenses:		
Property-related expenses	2,396	2,145
Asset management fees	276	297
Administrative service fees	115	100
Interest expense	291	234
Other expenses	161	120
Total costs and expenses	3,239	2,896
Income before income taxes:	1,884	1,915
Provision for income taxes		
Current	1	1
Deferred	1	1
Net income:	¥ 1,882	¥ 1,913
<hr/> <hr/>		
(Yen)?		
Earnings per unit:		
Net income	¥ 15,257	¥ 15,509
Weighted average number of units outstanding	123,372	123,372
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ORIX JREIT Inc.
STATEMENTS OF CASH FLOWS

For the six months ended 31 August 2003 and 28 February 2003

	For the period from 1 March 2003 to 31 August 2003	For the period from 1 September 2002 to 28 February 2003
(In millions of yen)		
Cash Flows from Operating Activities:		
Income before income taxes	¥ 1,884	¥ 1,915
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	783	726
Long-term prepaid expenses	13	13
Allowance for doubtful receivables	(6)	6
Interest income	(2)	(2)
Interest expense	291	234
Changes in assets and liabilities:		
Rental receivables	(57)	69
Consumption tax refundable	(55)	1,973
Consumption tax payable	(78)	78
Prepaid expenses	9	(32)
Trade and other payables	89	13
Rents received in advance	118	(39)
Others, net	35	(43)
Subtotal	3,024	4,911
Cash proceeds from interest income	2	1
Cash payments of interest expense	(267)	(225)
Cash payments of income taxes	(1)	(6)
Net cash provided by operating activities	2,758	4,681
Cash Flows from Investing Activities:		
Payments for investing in time deposits	(8,159)	(7,195)
Proceeds from maturity of time deposits	7,834	-
Purchases of property and equipment	(10,090)	(5,805)
Proceeds from leasehold and security deposits received	1,310	708
Repayments of leasehold and security deposits received	(637)	(518)
Others, net	(33)	(27)
Net cash used in investing activities	(9,775)	(12,837)
Cash Flows from Financing Activities:		
Proceeds from short-term debt	9,800	5,500
Payment of dividends	(1,907)	(2,748)
Net cash provided by financing activities	7,893	2,752
Net change in cash and cash equivalents	876	(5,404)
Cash and cash equivalents at beginning of period	7,010	12,414
Cash and cash equivalents at end of period	¥ 7,886	¥ 7,010

Property Data 1

	Property Name	Appraisal Value (¥ Million)	Appraiser	% of share	Reference Information					Valuation by Cost Method (¥ Million)	Book Value (¥ Million)	Investment Share (%)
					DC Value (¥ Million)	CR (%)	DCF Value (¥ Million)	CR (%)	TCR (%)			
Office	Tokyo Central 3 Wards											
	Akasaka Kyowa	1,714	Tanizawa	1.54	1,754	5.9	1,697	6.0	6.4	2,169	2,115	1.61
	Aoyama Suncrest	3,410	Tanizawa	3.06	3,554	5.8	3,348	6.2	6.4	2,869	3,428	2.60
	Ascend Kanda	672	Tanizawa	0.60	683	6.1	667	6.3	6.6	488	685	0.52
	Nikko Ichi-bancho	3,790	Tanizawa	3.40	3,873	5.4	3,754	5.5	5.9	2,944	3,888	2.95
	VX Kayabacho	937	Tanizawa	0.84	956	5.6	929	5.7	6.2	917	896	0.68
	DaVinci Shiroganedai	1,294	Tanizawa	1.16	1,341	5.7	1,274	5.8	6.2	1,781	1,386	1.05
	DaVinci Higashi Nihonbashi	1,806	Tanizawa	1.62	1,858	5.6	1,784	5.6	6.1	1,062	1,736	1.32
	DaVinci Akasaka Mitsuke	1,771	Tanizawa	1.59	1,854	5.1	1,736	5.4	5.6	1,137	1,686	1.28
	DaVinci Shiba 2	749	Tanizawa	0.67	785	5.5	734	5.7	6.0	594	716	0.54
	DaVinci Aoyama	4,902	Tanizawa	4.40	5,059	5.0	4,834	5.3	5.5	3,519	4,748	3.60
	Landic Minami Azabu	1,186	Chuo	1.06	1,132	6.6	1,186	6.3	7.1	1,258	1,418	1.08
	Landic Akasaka	10,800	Chuo	9.69	10,200	5.7	10,800	5.4	6.3	11,710	11,828	8.98
	Landic Akasaka 2	2,277	Chuo	2.04	2,504	6.1	2,277	5.8	6.6	2,274	2,915	2.21
	Landic Akasaka 3	649	Chuo	0.58	634	6.1	649	5.8	6.6	950	731	0.56
	Landic Mita 2	1,768	Chuo	1.59	1,727	5.9	1,768	5.6	6.4	1,263	1,776	1.35
	Shiba Daimon	1,533	Chuo	1.38	2,236	5.9	1,533	5.6	6.4	1,494	2,257	1.71
	Landic Nagai	3,071	Chuo	2.76	3,004	6.4	3,071	6.1	6.9	2,280	3,440	2.61
	Subtotal	42,329		37.98	43,154		42,041			38,709	45,659	34.66
	Other Tokyo Wards											
	Carrol Tower	4,654	Tanizawa	4.18	5,028	5.8	4,493	5.9	6.3	4,444	5,393	4.09
	Center Machiya	558	Tanizawa	0.50	597	6.6	541	6.8	7.1	483	609	0.46
	Toyo MK	4,871	Tanizawa	4.37	5,161	6.4	4,746	6.6	6.9	4,395	5,187	3.94
	Nikko Moto Yoyogi	4,915	Tanizawa	4.41	Note1 -	Note1 -	4,915	6.4	7.3	4,447	5,063	3.84
	Nikko Kagurazaka	1,715	Tanizawa	1.54	1,757	5.9	1,697	6.0	6.5	1,328	1,581	1.20
	Round-Cross Nishi Shinjyuku	2,589	Tanizawa	2.32	2,624	5.1	2,574	5.5	5.6	1,670	2,674	2.03
	DaVinci Gotanda	646	Tanizawa	0.58	649	6.4	645	6.5	6.9	604	587	0.45
	DT Gaien	2,665	Tanizawa	2.39	2,729	5.5	2,638	5.6	6.0	1,813	2,424	1.84
	DaVinci Kiha	2,486	Tanizawa	2.23	2,538	6.4	2,464	6.5	6.9	1,856	2,495	1.89
	DaVinci Waseda	1,660	Tanizawa	1.49	1,724	5.6	1,632	5.8	6.1	1,468	1,631	1.24
	DaVinci Yoyogi	1,496	Tanizawa	1.34	1,564	5.7	1,467	5.8	6.2	1,184	1,524	1.16
	Landic Gotanda	2,025	Chuo	1.82	1,977	6.3	2,025	6.0	6.8	1,515	2,120	1.61
	Sunny Building	5,537	Tanizawa	4.97	5,771	5.5	5,437	5.2	6.0	4,825	5,568	4.23
	ORIX Ikebukuro Building	9,570	Chuo	8.59	9,300	5.6	9,570	5.3	6.1	5,263	9,649	7.32
	Subtotal	45,387		40.72	41,419		44,844			35,295	46,514	35.31
Greater Tokyo												
Neo City Mitaka	2,287	Tanizawa	2.05	2,350	6.1	2,260	6.3	6.6	2,314	2,209	1.68	
Subtotal	2,287		2.05	2,350		2,260			2,314	2,209	1.68	
Other parts of Japan												
OX Basho no Tsuiji	726	Tanizawa	0.65	741	6.9	720	7.0	7.4	924	896	0.68	
OX Otsu	210	Tanizawa	0.19	212	7.5	209	7.2	8.1	153	185	0.14	
Subtotal	936		0.84	953		929			1,077	1,081	0.82	
Office Total	90,939		81.59	87,876		90,074			77,395	95,464	72.47	
Residential	Tokyo Central 3 Wards											
	Park Axis Nishi Azabu Stage	1,258	Tanizawa	1.13	1,319	4.8	1,232	5.0	5.1	769	1,220	0.93
	Subtotal	1,258		1.13	1,319		1,232			769	1,220	0.93
	Other Tokyo Wards											
Grand Maison Hakusan	476	Tanizawa	0.43	475	6.1	476	6.2	6.4	421	457	0.35	
Sonet Kami Ikebukuro	2,434	Tanizawa	2.18	2,566	5.7	2,377	5.8	6.0	2,402	2,369	1.80	
Subtotal	2,910		2.61	3,041		2,853			2,823	2,827	2.15	
Residential Total	4,168		3.74	4,360		4,085			3,592	4,047	3.07	
Others	Other Tokyo Wards											
	OX Kameido	451	Tanizawa	0.40	442	6.9	455	6.9	7.4	336	438	0.33
	Subtotal	451		0.40	442		455			336	438	0.33
	Greater Tokyo											
	Cross Gate	14,820	Tanizawa	13.30	15,360	6.8	14,590	7.2	7.4	16,540	14,752	11.20
Subtotal	14,820		13.30	15,360		14,590			16,540	14,752	11.20	
Other parts of Japan												
OX Mito	544	Tanizawa	0.49	548	7.4	542	7.5	7.9	531	518	0.39	
OX Gifu	538	Tanizawa	0.48	541	7.4	537	7.5	7.9	731	535	0.41	
Subtotal	1,082		0.97	1,089		1,079			1,262	1,053	0.80	
Others Total	16,353		14.67	16,891		16,124			18,138	16,244	12.33	
Grand Total	111,460		100.00	109,127		110,283			99,125	115,756	87.87	

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	7	3,382.28	3,382.28	100.0	17,520,510	166,172,000	
		Aoyama Suncrest	5	2,805.62	2,805.62	100.0	25,752,490	316,752,660	
		Ascend Kanda	2	826.50	826.50	100.0	Note 1	Note 1	
		Nikko Ichi-bancho	7	3,115.64	3,300.66	94.4	21,876,834	235,131,200	
		VX Kayabacho	1	1,489.75	1,489.75	100.0	Note 1	Note 1	
		DaVinci Shiroganedai	13	1,727.83	2,099.23	82.3	7,338,789	39,009,393	
		DaVinci Higashi Nihonbashi	7	2,275.05	2,275.05	100.0	11,675,820	115,445,627	
		DaVinci Akasaka Mitsuke	10	1,323.28	1,323.28	100.0	9,781,922	120,987,248	
		DaVinci Shiba 2	9	1,172.32	1,172.32	100.0	5,003,388	42,284,875	
		DaVinci Aoyama	11	3,360.97	3,360.97	100.0	27,820,136	344,956,390	
		Landic Minami Azabu	3	2,163.90	3,182.80	68.0	8,060,902	71,905,566	
		Landic Akasaka	22	10,309.44	10,566.99	97.6	69,289,055	792,062,464	
		Landic Akasaka 2	10	1,725.45	2,786.86	61.9	10,749,683	130,280,090	
		Landic Akasaka 3	8	812.49	812.49	100.0	5,252,368	64,759,744	
		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 Nagai	10	3,996.89	3,996.89	100.0	22,996,353	274,796,311	
		Subtotal		128	45,383.08	48,323.86	93.9	283,919,042	3,076,233,566
		Other Tokyo Wards	Carrot Tower	7	6,916.91	6,916.91	100.0	40,357,004	370,405,730
			Center Machiya	0	0.00	1,186.05	0.0	0	0
	Toyo MK		10	9,808.28	9,808.28	100.0	36,486,870	300,364,060	
	Nikko Moto Yoyogi		2	7,724.98	7,724.98	100.0	Note 1	Note 1	
	Nikko Kagurazaka		6	2,277.00	2,277.00	100.0	11,335,285	116,468,412	
	Round-Cross Nishi Shinjyuku		7	1,248.18	1,248.18	100.0	14,199,138	281,337,688	
	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	146,054,447	
	DaVinci Kiba		4	4,859.94	4,859.94	100.0	18,270,217	155,539,520	
	DaVinci Waseda		4	1,920.30	2,311.71	83.1	10,230,695	86,499,450	
	DaVinci Yoyogi		14	1,962.18	1,962.18	100.0	9,512,205	85,817,927	
	Landic Gotanda		1	2,575.92	2,575.92	100.0	Note 1	Note 1	
	Sunny Building		2	4,635.55	4,635.55	100.0	Note 1	Note 1	
	ORIX Ikebukuro Building	3	5,539.92	5,539.92	100.0	54,572,800	901,892,800		
	Subtotal		71	53,821.27	55,398.73	97.2	299,494,770	3,405,325,520	
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 Tsuiji	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		212	106,255.61	111,825.71	95.0	613,023,699	6,668,640,190		
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	Note 1	
	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	24,425,120	25,697,800		
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	16	25,952.60	25,952.60	100.0	105,207,160	1,126,913,600	
	Subtotal		16	25,952.60	25,952.60	100.0	105,207,160	1,126,913,600	
	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	148,623,783		
Others Total		19	32,271.60	32,271.60	100.0	117,436,160	1,330,953,949		
Grand Total		234	146,877.69	152,447.79	96.3	754,884,979	8,025,291,939		

Note 1 OJR leases the property to one or two tenants, or one specific tenant contributes 80% or more of Rental Revenue of 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 in Note 1. Consequently, OJR does not disclose rental revenue of the property owing to such unavoidable circumstances.