

<For Immediate Release>

January 13, 2004

ORIX JREIT Inc. (TSE: 8954)
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ORIX JREIT Inc. announces a related-party transaction

Tokyo, Japan, 13 January 2004 - ORIX JREIT Inc. ("OJR") announced today that OJR's Board of Directors approved the following related party transaction.

1. Execution of ESCO operation contract
OJR will execute ESCO operation contract (Contract) with ORIX Corporation, a related party to ORIX Asset Management Corporation (OAM) – the asset management company of OJR. The purpose of Contract is to save energy for Cross Gate, one of OJR's major properties.
2. Summary of Contract

Beneficiary/Payer	OJR
Contractor/Payee	ORIX Corporation
Operation	Contractor provides OJR with energy saving proposals, rental/ installation of system/ equipment, survey on energy saving results, and guarantee on energy/ cost saving. Contractor shall receive 50% of saving (saved energy cost less Service Fee) from OJR. In case OJR suffers losses from Contract (saved energy cost is less than Service Fee), ORIX shall reimburse the losses to OJR.
Term	15 years from March 2004 (to be confirmed)
Service Fee	¥559,000 / month (¥6,708,000/ year) Service Fee may be changed in 9 years depending on then financial condition.
Others	OJR aims to save energy for Cross Gate through Contract. NEDO (New Energy and Industrial Technology Development Organization) will subsidize part of the initial cost of this project to reduce Service Fee. Estimated energy saving amount is ¥13,157,082 including Cross Gate's tenants' portion. OJR's portion is estimated to be ¥7,971,940. Energy saving items will be 1) reducing spin of heat pump, 2) saving energy of air conditioners for spaces except tenant/ retail/ kitchen spaces, 3) controlling fans' CO for parking area. OJR expects both energy cost saving to improve tenants' satisfaction and protection of global warming.

3. Remarks

3-1. ESCO (Energy Service Company)

- ESCO project guarantees energy saving effect though comprehensive package of energy saving for buildings without losing surrounding environment.

- ESCO project will enable OJR to enjoy energy cost saving with contractor's guarantee without any additional costs.

3-2. Related Party

Name.....	ORIX Corporation
Relation.....	100% owner of OAM
Head Office.....	2-4-1 Hamamatsu-cho, Minato-ku, Tokyo
Established.....	17 April 1964
Shareholders.....	Japan Trusty Services Bank, Ltd. The Master Trust Bank of Japan, Ltd., etc.
Main Business.....	Financial Services including Lease and Installment Loan, Real Estate Operations

* OJR is a real estate investment corporation (commonly referred to as a J-REIT) listed on the Tokyo Stock Exchange JREIT Section (TSE:8954) whose objective is to provide stable income returns to investors over the mid- to long-term through investing in diversified types of quality real estate, mostly in Greater Tokyo Metropolitan area ORIX Asset Management, a wholly owned subsidiary of ORIX Corp. (TSE: 8591), provides the asset management services for OJR.