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For Immediate Release

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ORIX JREIT to Accept Compensation from ORIX Asset Management Corporation

TOKYO, February 6, 2007 — ORIX JREIT Inc. (“OJR”) announced today that it will accept compensation from ORIX Asset Management Corporation (“OAM”), which provides asset management services for OJR. The compensation is related to the improvement plan published in the OJR press release, “Submission of Improvement Plan to Financial Services Agency and Kanto Local Finance Bureau,” dated August 31, 2006. The details of the compensation are described below.

1. Description of Compensation

With regard to the three inappropriate or unsuitable properties regarding which OAM was notified by regulatory authorities, OAM will pay OJR an amount calculated on the basis of the lower rental income resulting from the reduction in rentable area.

- Properties affected (reduction in area):
 - Yoyogi Forest Building (51m²)
 - Landic Mita Building 2 (55m²)
 - Round-Cross Aoyama (70m²)
- Total Payment: ¥142 million
- Projected date of payment: February 2007

2. Effect on OJR’s performance

These actions will result in an increase in OJR’s income. However, the Company’s performance during the six-month period from September 1, 2006 to February 28, 2007, during which this income will be posted, is unconfirmed. There is, therefore, no change in the earnings forecast for that period announced in OJR’s earnings forecast of August 2006.

3. Other details

Since receiving an operational improvement order in July 2006, OAM has verified the rentable area specified in every lease agreement. As a result, there has been no recurrence of the problem associated with the three properties listed in paragraph 1 above.

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