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For Immediate Release

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ORIX JREIT Announces Changes in Asset Management Agreement and Other Matters

Tokyo, October 19, 2007 — ORIX JREIT Inc. (“OJR”) announced today that its Board of Directors has approved changes to the Asset Management Agreement linking it to ORIX Asset Management Corporation (OAM), and to the Related Party Regulations that are an annex to the agreement.

1. Changes in the Asset Management Agreement

- (1) On September 30, 2007, Japan’s Financial Instruments and Exchange Law (the Financial Instruments Law) came into effect. On the same day, the Investment Trust and Investment Corporation Law (the Investment Trust Law) was revised. There were changes to terminology, the numbering of pertinent clauses, and names of pertinent laws.
- (2) Clauses were added to the Agreement regarding the statement of financial performance that OAM is required to provide to OJR (a new requirement set forth in the Financial Instruments Law), and the numbering of clauses was changed accordingly.
- (3) The Agreement added advisory services on public offerings of short-term investment corporation bonds to the advisory services that OAM provides to OJR.
- (4) The Related Party Regulations, which are an annex to the Agreement, were changed. See below for particulars.

2. Changes in Related Party Regulations

- (1) On September 30, 2007, the Investment Trust Law and the Investment Trust and Investment Corporation Law Enforcement Order (the Investment Trust Law Enforcement Order) were revised. The scope of parties of interest under the Investment Trust Law was changed, and on that same day the Cabinet Office Ordinance Regarding Financial Products Traders (Financial Products Traders Ordinance) came into effect. This changed the scope of related parties under the Related Party Regulations, as set forth below.

The Definition of Related Party prior to the Changes

- (a) Parties of interest in an asset management company¹ (Article 15-2-1² of this law¹, Article 20 of this law’s Enforcement Order).
- (b) Related parties of those prescribed in the previous section (Article 8-8 of the Rule Regarding the Terminology, Forms, and Methods of Preparation of Financial Statements)
- (c) Special purpose companies on whose decision making the company named in sections (a) and (b) above is deemed to be able to exert a strong effect, by contracting for asset management services or

by supplying more than half the executives, etc. (Article 8-7 of the Rule Regarding the Terminology, Forms, and Methods of Preparation of Financial Statements).

The Definition of Related Party after the Changes

- (a) Parties of interest in an asset management company (Article 201-1 of this law, Article 123 of this law's Enforcement Order)
- (b) Related parties of those prescribed in the previous section (Set forth in Article 177-6 of the Cabinet Office Ordinance Regarding the Financial Products Traders [Cabinet Office Ordinance, Number 52 of 2007]).
- (c) Special purpose companies on whose decision making the company named in sections (a) and (b) above is deemed to be able to exert a strong effect, by contracting for asset management services, by supplying more than half the executives of the said company, or by other means (Set forth in Article 33-2 of the Cabinet Office Ordinance).

Note 1. The term "asset management company" represents OAM, "this law" refers to the Investment Trust Law, and "this law's enforcement order" refers to the Investment Trust Law Enforcement Order.

Note 2. Changed passages are underlined.

- (2) Under the provisions of the Financial Instruments Law, trust beneficial interests are seen as securities, as defined under that law. Therefore, needed revisions were made.
- (3) The "rights pertaining to financial derivatives" and "rights pertaining to financial futures trading" set forth in the Investment Trust Law Enforcement Order prior to its revision were deleted from the Investment Trust Law Enforcement Order when it was revised in connection with the implementation of the Financial Instruments Law, and new "rights pertaining to derivatives transactions" were attached to specified assets. Also in this revision, the "rights pertaining to financial derivatives" and "rights pertaining to financial futures trading" for derivatives related transactions prescribed in the Related Party Regulations before their revision were combined into "rights pertaining to derivatives transactions." These changes slightly expand the scope of derivatives related transactions, but under the revised Related Party Regulations, when making investments in connection with "rights pertaining to derivatives transactions," the scope of objects is limited to those identified as suitable objects for asset management under OJR's terms (The scope of derivatives related transactions is the same as under the pre-revision Related Party Regulations.)
- (4) In addition, minor changes were made to the language of the document.

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.