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**For Immediate Release**

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**ORIX JREIT Announces Disposal of Round-Cross Aoyama**

TOKYO, December 21, 2007 — ORIX JREIT Inc. (“OJR”) announced today that it has decided to sell Round-Cross Aoyama, one of the properties in its portfolio. Details are below.

**1. Disposal summary**

Property name	Round-Cross Aoyama
Property to be disposed	Real estate property
Disposal price	¥5,250 million (Excludes adjustments, such as property tax, fixed asset tax, and city planning tax, as well as consumption tax)
Book value	¥4,723 million (As of August 31, 2007)
Difference between disposal price and book value	¥526 million
Contract date	December 21, 2007
Scheduled delivery date	December 26, 2007
Buyer	OREIT Two Ltd.
Delivery method	Real estate (fee simple ownership)

\* Figures are rounded down to the nearest million yen.

**2. Rationale for Disposal**

ORIX JREIT has owned Round-Cross Aoyama (“the property”) since the company publicly listed its shares and has been soundly operating the property. However, as described in the Financial Report for the 11<sup>th</sup> Fiscal Period (March 1, 2007 – August 31, 2007), there is a section of floor area (approx. 6 m<sup>2</sup>) that was added after completion of the property. Because its compliance with the Building Standards Law has not been confirmed and both the property’s current competitiveness as an office building in the Aoyama area and its future growth potential through improving asset value are limited, ORIX Asset Management Corporation (“OAM”), which manages OJR’s assets, has been considering the options of either continued ownership following improvements and so on or disposal of the property in its current condition.

After thorough consideration, OJR has determined that the disposal option is in the interests of shareholders, taking a comprehensive view of such factors as the property's scope for internal growth, feasibility of compliance with the current law, the effect on the asset composition of the portfolio overall, and the effect on dividends.

Moreover, OAM has decided to pay OJR ¥25,163,225 in compensation relating to the property. Please refer to the news release entitled "ORIX JREIT Announces Compensation from ORIX Asset Management Corporation Related to Round-Cross Aoyama" dated today for the details.

### **3. Summary of property to be disposed**

Asset type		Real estate property
Address		2-27-25, Minami Aoyama, Minato-ku, Tokyo
Acquisition price		¥4,529 million
Appraisal value		¥4,990 million (appraised by Tanizawa Sogo Appraisal Co., Ltd., as of November 30, 2007)
Use		Commercial district, Type 2 residential district
Land	Site area	809.48 m <sup>2</sup>
	Type of ownership	Fee simple ownership (100%)
Building	Use	Offices, shops, training facilities (register)
	Date of construction	October 1986 (register)
	Total floor area	4,540.71 m <sup>2</sup> (register)
	Structure	Steel reinforced concrete, flat roof 1 basement floor and 10 floors above ground
Type of ownership		Fee simple ownership (100%)
Number of tenants		10 (As of December 21, 2007)
Total leased space		2,684.17 m <sup>2</sup> (As of December 21, 2007)
Total rentable space		3,190.00 m <sup>2</sup> (As of December 21, 2007)
Occupancy rate		84.1% (As of December 21, 2007)

### **4. Profile of broker**

As of December 17, 2007

Company Name	Sumishin Realty Co., Ltd.
Address	2-3-1, Yaesu, Chuo-ku, Tokyo
Representative	Junpei Norimatsu, President & CEO
Relationship	None

Commission paid to the broker have not been disclosed in accordance with the wishes of the broker.

### **5. Profile of buyer**

As of December 17, 2007

Company Name	OREIT Two Ltd.
Address	1-6-1, Kaigan, Minato-ku, Tokyo
Representative	Susumu Yagishita
Shareholders' equity	¥ 3 million
Major shareholder	ORIX Corporation 100%
Main business lines	Lease, sale, purchase, maintenance, and management of real estate, and land reclamation, etc
Relationship	Both OREIT Two Ltd. and ORIX Asset Management Corporation are subsidiaries of ORIX Corporation. Their relationships thus correspond to that of a "related party" stipulated in the Law Concerning Investment Trusts and Investment Corporations.

## **6. Settlement method**

Lump sum settlement on settlement date

## **7. Transfer schedule**

December 21, 2007: Property sale and purchase agreement concluded

December 26, 2007: Transfer scheduled

## **8. Future outlook**

Please refer to the news release “ORIX JREIT Revises Earnings Forecast for the 12<sup>th</sup> Fiscal Period (Ending February 29, 2008)” dated today for the effect of this on the earnings forecasts for the period ending February 2008 (12<sup>th</sup> fiscal period: September 1, 2007 – February 29, 2008).

The effect on the earnings forecasts for the period ending August 2008 (13<sup>th</sup> fiscal period: March 1, 2008 – August 31, 2008) will be insignificant, and accordingly there are no changes to the earnings forecasts for that period (13<sup>th</sup> fiscal period) that were announced in the summary of results for the period ending August 2007 (11<sup>th</sup> fiscal period).

Reference:

Portfolio summary after the disposal

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.

## Portfolio summary after the disposal

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Aoyama Suncrest Building	December 1. 2001	3,356	1.5	
		Round-Cross Ichi-bancho	December 1. 2001	3,900	1.7	
		Beside Shirogane	December 21. 2001	1,300	0.6	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.7	
		Nihonbashi East Building	December 21. 2001	1,720	0.7	
		Round-Cross Minami Azabu	December 21. 2001	1,394	0.6	
		Round-Cross Akasaka	January 10. 2002	2,624	1.1	
		Round-Cross Mita	January 10. 2002	1,748	0.8	
		Shiba Daimon Building	January 10. 2002	2,195	0.9	
		Round-Cross Tsukiji	January 10. 2002	3,378	1.5	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	1.8	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	3.2	
		Aoyama 246 Building	March 3. 2004	5,200	2.3	
		ORIX Akasaka 2-chome Building	June 26. 2006	8,744	3.8	
			December 4. 2006	13,116	5.7	
		Nihonbashi Honcho 1-chome Building	March 28. 2007	10,500	4.5	
		<b>Subtotal</b>	<b>72,502</b>	<b>31.4</b>		
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.4
			Toyo MK Building	December 1. 2001	5,270	2.3
			Round-Cross Moto Yoyogi	December 1. 2001	5,091	2.2
			Round-Cross Nishi Shinjuku	December 1. 2001	2,650	1.1
			Beside Kiba	December 21. 2001	2,450	1.1
			DT Gaien	December 21. 2001	2,430	1.1
			Yoyogi Forest Building	December 21. 2001	1,473	0.6
			ORIX Ikebukuro Building	April 18. 2003	9,577	4.1
			ORIX Shinjuku Building	September 29. 2003	8,300	3.6
			Round-Cross Shinjuku	April 28. 2006	8,020	3.5
	Seafort Square Center Building		September 30. 2005	9,000	3.9	
			April 28. 2006	9,000	3.9	
	Round-Cross Kamata		March 1. 2006	5,640	2.4	
	Round-Cross Shinjuku 5-chome		April 26. 2007	4,500	1.9	
	KN Jiyugaoka Plaza		May 30. 2007	3,110	1.3	
	<b>Subtotal</b>	<b>81,990</b>	<b>35.5</b>			
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.0	
		Round-Cross Kawasaki	April 27. 2004	4,130	1.8	
		<b>Subtotal</b>	<b>6,330</b>	<b>2.7</b>		
	Other Cities	Nagoya Itochu Building	September 29. 2003	4,500	1.9	
		Round-Cross Shinsaibashi	March 1. 2005	13,600	5.9	
		ORIX Koraibashi Building	April 27. 2005	5,560	2.4	
		ORE Nagoya Fushimi Building	May 30. 2005	10,040	4.3	
		Lunar Sendai	June 28. 2007	8,500	3.7	
	<b>Subtotal</b>	<b>42,200</b>	<b>18.3</b>			
	<b>Office Total</b>	<b>203,022</b>	<b>87.9</b>			
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.1	
		<b>Subtotal</b>	<b>2,548</b>	<b>1.1</b>		
	Other Tokyo Wards	CUBE Daikanyama	March 31. 2004	2,435	1.1	
		<b>Subtotal</b>	<b>2,435</b>	<b>1.1</b>		
	<b>Retail Total</b>	<b>4,983</b>	<b>2.2</b>			
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.5	
		<b>Subtotal</b>	<b>1,219</b>	<b>0.5</b>		
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.0	
		<b>Subtotal</b>	<b>2,832</b>	<b>1.2</b>		
	<b>Residential Total</b>	<b>4,051</b>	<b>1.8</b>			
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	6.5	
		<b>Subtotal</b>	<b>15,040</b>	<b>6.5</b>		
		<b>Hotel Total</b>	<b>15,040</b>	<b>6.5</b>		
Others	Greater Tokyo	Koshigaya Logistics Center	April 28. 2006	4,000	1.7	
		<b>Subtotal</b>	<b>4,000</b>	<b>1.7</b>		
		<b>Others Total</b>	<b>4,000</b>	<b>1.7</b>		
	<b>Grand Total</b>	<b>231,096</b>	<b>100.0</b>			

### Notes

1. "Acquisition price" above refers to sale price (fractions rounded down) specified in the sale and purchase contract. Consumption taxes are not included in the price.
2. "Percentage of total acquisition cost" refers to the acquisition price of each property under management as a proportion of total acquisition price.
3. Fractions are rounded to two decimal places for the "Percentage of total acquisition cost". Totals for the "Percentage of total acquisition cost" may not tally as a result of rounding.