

ORIX JREIT Inc. (TSE: 8954)
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ORIX JREIT Announces Acquisition of Kamata Green Building

TOKYO, January 30, 2006 — ORIX JREIT Inc. (“OJR”) announced today that it has decided to purchase the **Kamata Green Building** (“property” below).

1. Acquisition summary

Asset to be acquired	Property (Refer to item 3, “Property Summary”)
Property name	Kamata Green Building
Acquisition price	¥5,640,000,000- (excluding consumption taxes)
Expected acquisition date	March 1, 2006
Current owner / Seller	IINO LINES and one private individual
Anticipated funding method	Cash on hand and/or loan proceeds
Payment terms	10% down on execution of contract 90% on transfer

2. Purpose of the acquisition

OJR has decided to acquire the property to further enhance its portfolio in the Tokyo Metropolitan area based on the goals and principles of asset management set out in the articles of incorporation. OJR particularly appreciates the two strong points of the property described below.

1) Location

The Kamata area, where the property is located, is positioned midway between the heart of Tokyo and suburban manufacturing centers. The area features many offices of major corporations, data centers and the like. Additional demand for tenancy can be expected from companies with manufacturing and distribution centers in the Keihin area, companies that value access from Haneda Airport, and companies that are inclined toward relatively moderate rents compared to central Tokyo, but still want a location within Tokyo’s 23 wards.

2) Property features

The property is a competitive office building with a high standard of specifications as well as a standard floor area in excess of 200 *tsubo* (661 square meters). With a floor load capacity of 500

kg/m², OA floor height of 100 mm, and ceiling height of 2,700 mm (on standard floors), the property is well appointed to meet the requirements of facilities such as data centers and call centers for major manufacturing firms, which are expected to drive strong demand in the Kamata area. Equipment specifications and quality are both high, and, along with the over-200 *tsubo* floor area, make the property a rarity among the surrounding buildings. The property's location, including its distance from JR Kamata Station, is also unrivalled in comparison with competitive structures that maintain high occupancy rates in the area. It is clear why OJR has concluded that the property can be expected to attract sufficient rental demand and is highly competitive.

3. Property summary

1) Profile

Building Name	Kamata Green Building
Address	7-37-10 Nishi-Kamata, Ota-ku, Tokyo
Usage (In register)	Office, Parking
Space (In register)	Land 2,053.65 m ² Building 11,527.38 m ² (Total floor area)
Structure (In register)	Steel-frame, steel reinforced concrete, flat roof, 11 floors above ground with 1 basement floor
Completion (In register)	February 28, 1994
Type of Ownership	Fee simple ownership
Appraisal Value	¥5,412,000,000- (appraised as of January 1, 2006 by Chuo Real Estate Appraisal Co., Ltd.)
Transport	About 7 minutes walk from Kamata Station, JR Keihin Tohoku Line About 2 minutes walk from Hasunuma Station, Tokyu Ikegami Line
Use restrictions	Commercial district (Building to land ratio: 100%; floor to area ratio: 600%/500%)
Parking	31 lots (18 two-storey, elevator type lots, 13 self-propelled type lots)
Builder	Takenaka Corporation
Design and supervision	Takenaka Corporation
Structural strength calculator	Takenaka Corporation
Inspection agency	Municipal Government
Office floors	OA floor: 100 mm high, floor load capacity: 500 kg/m ² Card-type mechanical security system
Elevators	Three elevators for passenger / for emergency
Ceiling height	Standard floor: 2,700 mm
Standard floor leased area	About 722 m ² (About 218 <i>tsubo</i>)

2) Tenant Information

Number of Tenants	2
Total Leased Space	7,900.10 m ²
Total Rentable Space	7,900.10 m ²
Occupancy Rate	100.0% (as of January 30, 2006)

Note: Tenancies only relate to offices; areas related to parking are not included.

4. Current owner / Seller

1) Seller 1

Name	IINO LINES
Address	2-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Sugimoto Katsuyuki, President
Paid-in capital	¥13,091 million
Operations	Shipping, real estate, and distribution and retail
Relationship to OJR	None

2) Seller 2

Name	Private individual
Relationship to OJR	None

Note: IINO LINES owns 1,027.21 m² of the land, equivalent to 50.02% of the entire land area of the property of 2,053.65 m², and has a 50% joint stake in the building. The above-named private individual owns 1,026.44 m² of the land, equivalent to 49.98% of the entire land area of the property of 2,053.65 m², and has a 50% joint stake in the building

5. Schedule

January 30, 2006	Execution of sale and purchase contract for the property
March 1, 2006	Delivery of the property

6. Future outlook

OJR will disclose financial forecasts for the period ending August 2006 (March 1 – August 31, 2006), which will fully reflect the impact of the acquisition of this property, as a part of its business results report for the period ending February 2006 (September 1, 2005 – February 28, 2006).

Addendums

- I. Property photo and map
- II. Appraisal summary
- III. Portfolio summary after acquisition of property
- IV. Current portfolio

Today, this material is being distributed to the Kabuto Club and Ministry of Land, Infrastructure and Transport Press Club for construction publications.

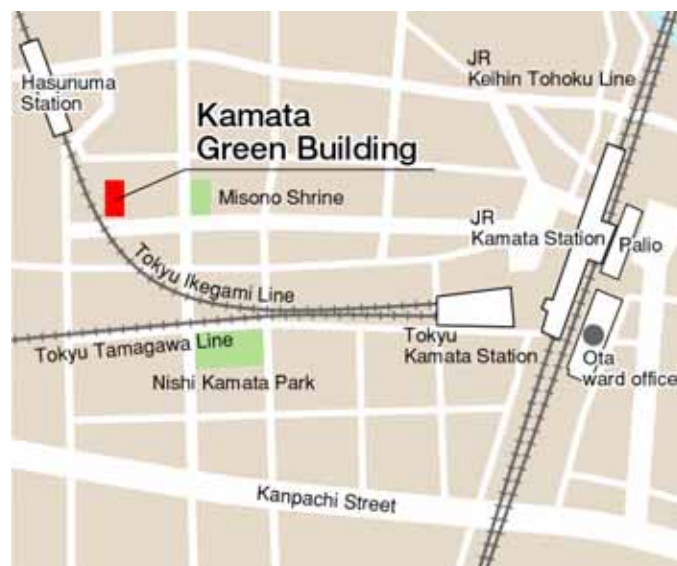
* OJR is a real estate investment corporation (commonly referred to as a J-REIT) listed on the Tokyo Stock Exchange JREIT Section (TSE:8954) whose objective is to provide stable income returns to investors over the mid- to long-term by investing in diversified types of high-quality real estate, mostly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

I. Property photo and map

Property photo



Map



II. Appraisal summary

- 1) Appraisal
Appraisal Value ¥5,412,000,000-
Appraisal Date January 1, 2006
Appraiser Chuo Real Estate Appraisal Co., Ltd.

2) Valuations by method

- i. Cost Method..... ¥3,025,000,000-
ii. Income Method
- DCF value ¥5,412,000,000-
Discount Rate..... 5.6%
Terminal Capitalization Rate 6.4%
· DC Value ¥4,974,000,000-
Capitalization Rate..... 5.9%

3) Income projection

The following projection is quoted from the first and second year income projection using the discount cash flow method in the Appraisal Report, and does not represent any projections by OJR or OAM.

Unit: ¥ million

	The 1 st year	The 2 nd year
Gross Revenue		
Rental Revenue	456	431
Other Revenue	69	69
Vacancy Loss	(9)	(9)
(A) Effective Gross Revenue	516	491
Total Cost		
Management /Maintenance Fee	55	54
Taxes	36	36
Other Costs	53	53
Long Term Projected Repairs	0	1
(B) Total Costs	145	146
(C) Effective Net Operating Income		
(C) = (A) – (B)	371	345

Notes:

1. Figures are rounded down to the nearest million yen, so there may be minor discrepancies in totals.
2. According to the Engineering Report by NIKKEN SEKKEI Ltd., maintenance cost over the next 12 years will be ¥215,170 thousand.

III. Portfolio summary after acquisition of property

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1. 2001	2,087	1.1	
		Aoyama Suncrest Building	December 1. 2001	3,356	1.7	
		Nikko Ichi-bancho Building	December 1. 2001	3,900	2.0	
		Beside Shirogane	December 21. 2001	1,300	0.7	
		Round-Cross Aoyama	December 21. 2001	4,529	2.3	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.8	
		Nihonbashi East Building	December 21. 2001	1,720	0.9	
		Landic Minami Azabu Building	December 21. 2001	1,394	0.7	
		Landic Akasaka Building	January 10. 2002	11,580	5.9	
		Landic Akasaka Building 2	January 10. 2002	2,624	1.3	
		Landic Akasaka Building 3	January 10. 2002	697	0.4	
		Landic Mita Building 2	January 10. 2002	1,748	0.9	
		Shiba Daimon Building	January 10. 2002	2,195	1.1	
		Landic Nagai Building	January 10. 2002	3,378	1.7	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	2.1	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	3.8	
		Aoyama 246 Building	March 3. 2004	5,200	2.6	
		Subtotal		59,036	29.9	
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.8
			Toyo MK Building	December 1. 2001	5,270	2.7
			Nikko Moto Yoyogi Building	December 1. 2001	5,091	2.6
	Round-Cross Nishi Shinjuku		December 1. 2001	2,650	1.3	
	Beside Kiba		December 21. 2001	2,450	1.2	
	DT Gaien		December 21. 2001	2,430	1.2	
	Yoyogi Forest Building		December 21. 2001	1,473	0.7	
	ORIX Ikebukuro Building		April 18. 2003	9,577	4.8	
	ORIX Shinjuku Building		September 29. 2003	8,300	4.2	
	Round-Cross Shinjuku		April 28. 2006	8,020	4.1	
			September 30. 2005	9,000	4.6	
	Seafort Square / Center Building		April 28. 2006	9,000	4.6	
	Kamata Green Building		March 1. 2006	5,640	2.9	
	Subtotal			74,380	37.7	
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.1	
Excellent Kawasaki Building		April 27. 2004	4,130	2.1		
Subtotal		6,330	3.2			
	Nagoya Itochu Building	September 29. 2003	4,500	2.3		
	The SHOHO 3rd Building	March 1. 2005	13,600	6.9		
	ORIX Koraibashi Building	April 27. 2005	5,560	2.8		
	ORE Nagoya Fushimi Building	May 30. 2005	10,040	5.1		
	Subtotal		33,700	17.1		
Office Total		173,446	87.8			
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.3	
		Subtotal		2,548	1.3	
		CUBE Daikanyama	March 31. 2004	2,435	1.2	
Subtotal		2,435	1.2			
Retail Total		4,983	2.5			
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.6	
		Subtotal		1,219	0.6	
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.2	
Subtotal		2,832	1.4			
Residential Total		4,051	2.1			
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	7.6	
		Subtotal		15,040	7.6	
	Hotel Total		15,040	7.6		
Grand Total		197,520	100.0			

Newly acquired Building

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 price.
2. "Acquisition price ratio" 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 "Acquisition price ratio." Totals for the "Acquisition price ratio" may not tally as a result of rounding.
4. OJR will acquire Round-Cross Shinjuku on April 28, 2006.
5. OJR acquired a 50% holding of trust beneficial interests in the Seafort Square Center Building on September 30, 2005, and the acquisition of the remaining 50% is scheduled for April 28, 2006.

IV. Current portfolio

	Property	Acquisition		Percentage of Total Acquisition Cost		
		Date	Price(¥ million)			
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1. 2001	2,087	1.1	
		Aoyama Suncrest Building	December 1. 2001	3,356	1.7	
		Nikko Ichi-bancho Building	December 1. 2001	3,900	2.0	
		Beside Shirogane	December 21. 2001	1,300	0.7	
		Round-Cross Aoyama	December 21. 2001	4,529	2.4	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.9	
		Nihonbashi East Building	December 21. 2001	1,720	0.9	
		Landic Minami Azabu Building	December 21. 2001	1,394	0.7	
		Landic Akasaka Building	January 10. 2002	11,580	6.0	
		Landic Akasaka Building 2	January 10. 2002	2,624	1.4	
		Landic Akasaka Building 3	January 10. 2002	697	0.4	
		Landic Mita Building 2	January 10. 2002	1,748	0.9	
		Shiba Daimon Building	January 10. 2002	2,195	1.1	
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		ORIX Shiba 2-chome Building	September 29. 2003	7,500	3.9	
		Aoyama 246 Building	March 3. 2004	5,200	2.7	
		Subtotal				59,036
	Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.9	
		Toyo MK Building	December 1. 2001	5,270	2.7	
		Nikko Moto Yoyogi Building	December 1. 2001	5,091	2.7	
		Round-Cross Nishi Shinjyuku	December 1. 2001	2,650	1.4	
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		Round-Cross Shinjuku	April 28. 2006	8,020	4.2	
		Seafort Square / Center Building	September 30. 2005	9,000	4.7	
			April 28. 2006	9,000	4.7	
	Subtotal				68,740	35.8
	Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.1	
		Excellent Kawasaki Building	April 27. 2004	4,130	2.2	
	Subtotal				6,330	3.3
	Greater Tokyo	Nagoya Itochu Building	September 29. 2003	4,500	2.3	
The SHOHO 3rd Building		March 1. 2005	13,600	7.1		
ORIX Koraibashi Building		April 27. 2005	5,560	2.9		
ORE Nagoya Fushimi Building		May 30. 2005	10,040	5.2		
Subtotal				33,700	17.6	
Office Total				167,806	87.5	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.3	
		Subtotal				2,548
	Greater Tokyo	CUBE Daikanyama	March 31. 2004	2,435	1.3	
		Subtotal				2,435
Retail Total				4,983	2.6	
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.6	
		Subtotal				1,219
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.2	
		Subtotal				2,832
Residential Total				4,051	2.1	
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	7.8	
		Subtotal				15,040
	Hotel Total				15,040	7.8
Grand Total				191,880	100.0	

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