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ORIX JREIT Announces Disposal of Two of its Portfolio Properties: Landic Akasaka Building and Landic Akasaka Building 3

TOKYO, March 27, 2006 — ORIX JREIT Inc. (“OJR”) announced today that it has decided to dispose two of its portfolio properties as follows. The date of the disposal is scheduled for June 1, 2006 for both of the properties.

1. Disposal summary

Property name	Landic Akasaka Building	Landic Akasaka Building 3
Property to be disposed	Property	
Acquisition date	January 10, 2002	
Disposal price	Total ¥13,800,000 thousand (Excludes adjustments, such as property tax, fixed asset tax, and city planning tax, as well as consumption taxes)	
(Breakdown)	¥12,950,000 thousand	¥850,000 thousand
Book value	Total ¥12,541,725 thousand (As of August 31, 2005)	
(Breakdown)	¥11,812,205 thousand	¥729,520 thousand
Difference between disposal price and book value	Total ¥1,258,274 thousand	
(Breakdown)	¥1,137,794 thousand	¥120,479 thousand
Scheduled contract date	March 27, 2006	
Scheduled delivery date	June 1, 2006	
Buyer	Suruga Corporation	
Delivery method	Real estate (fee simple ownership)	

* Figures are rounded down to the nearest thousand yen.

2. Rationale for the disposal

The Landic Akasaka Building and Landic Akasaka Building 3 have been 33 years and 24years respectively since the building was constructed, and physical and functional deterioration is advanced. As it was envisaged that a radical plan would be necessary in the future, OJR has been giving ongoing consideration to the options of (1) major renovations; (2) rebuilding; or (3) sale since about two years ago. Finally, OJR has decided to sell (transfer) the properties, taking a comprehensive view of the risks and returns, feasibility, and tax and accounting perspectives of each of the options, as well as the reduction of the concentration of its properties in the Akasaka area that resulted from the acquisition of the ORIX Akasaka 2-chome Building (acquisition price: ¥21,860,000,000) announced on March 15, 2006.

3. Summary of property to be disposed

(1) Landic Akasaka Building

Asset type		Property
Address		2-3-4, Akasaka, Minato-ku, Tokyo
Location		1-minute walk from Tokyo Metro Tameike-sanno Station
Acquisition date		January 10, 2002
Acquisition price		¥11,580,000 thousand
Appraisal value		¥10,970,000 thousand (appraised by Chuo Real Estate Appraisal Co., Ltd., as of August 31, 2005)
Land	Site area	1,734.67 m ²
	Use	Commercial district
	Type of ownership	Fee simple ownership
Building	Use	Offices
	Date of construction	January 1973
	Type of ownership	Building ownership
	Total floor area	16,272.05 m ²
	Structure	Steel reinforced concrete, flat roof, 3 basement floors and 10 floors above ground
Number of tenants		27 (as of March 27, 2006)
Total leased space		10,499.49 m ² (as of March 27, 2006)
Total rentable space		10,567.01 m ² (as of March 27, 2006)
Occupancy rate		99.4% (as of March 27, 2006)

(2) Landic Akasaka Building 3

Asset type		Property
Address		2-3-2 Akasaka, Minato-ku, Tokyo
Location		1-minute walk from Tokyo Metro Tameike-sanno Station
Acquisition date		January 10, 2002
Acquisition price		¥697,000 thousand
Appraisal value		¥621,000 thousand (appraised by Chuo Real Estate Appraisal Co., Ltd. As of August 31, 2005)
Land	Site area	159.05 m ²
	Use	Commercial district
	Type of ownership	Fee simple ownership
Building	Use	Shops and offices
	Date of construction	June 1981
	Type of ownership	Building ownership
	Total floor area	1,065.67 m ²
	Structure	Steel reinforced concrete, flat roof, 1 basement floor and 9 floors above ground
Number of tenants		9 (as of March 27, 2006)
Total leased space		812.49 m ² (as of March 27, 2006)
Total rentable space		812.49 m ² (as of March 27, 2006)
Occupancy rate		100% (as of March 27, 2006)

4. Profile of buyer (For both properties)

Company Name	Suruga Corporation
Head office address	15-1 Daimachi, Kanagawa-ku, Yokohama-shi, Kanagawa
Representative	Kazuo Iwata
Establish	March 24, 1972
Shareholders' Equity	¥ 6,304,687,187
Main business lines	General contracting
Relationship to OJR	None

5. Transfer schedule (For both properties)

March 27, 2006 : Property sale and purchase agreement concluded

June 1, 2006 : Transfer scheduled

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 these properties, upon today's Press Release "ORIX JREIT Revises Earnings Forecast for 9th Fiscal Period (Ending August 31, 2006)".

Addendum

- . Portfolio summary after disposal of two properties
- . Current portfolio

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

I. Portfolio Summary after disposal of two properties (including acquisition of two properties announced today)

	Property	Acquisition		Percentage of Total Acquisition Cost	
		Date	Price(¥ million)		
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1, 2001	2,087	1.0
		Aoyama Suncrest Building	December 1, 2001	3,356	1.6
		Nikko Ichi-bancho Building	December 1, 2001	3,900	1.8
		Beside Shirogane	December 21, 2001	1,300	0.6
		Round-Cross Aoyama	December 21, 2001	4,529	2.1
		Round-Cross Akasaka Mitsuke	December 21, 2001	1,650	0.8
		Nihonbashi East Building	December 21, 2001	1,720	0.8
		Landic Minami Azabu Building	December 21, 2001	1,394	0.6
		** Landic Akasaka Building	January 10, 2002	-	-
		Landic Akasaka Building 2	January 10, 2002	2,624	1.2
		** Landic Akasaka Building 3	January 10, 2002	-	-
		Landic Mita Building 2	January 10, 2002	1,748	0.8
		Shiba Daimon Building	January 10, 2002	2,195	1.0
		Landic Nagai Building	January 10, 2002	3,378	1.6
		ORIX Jimbo-cho Building	September 29, 2003	4,177	1.9
		ORIX Shiba 2-chome Building	September 29, 2003	7,500	3.5
		Aoyama 246 Building	March 3, 2004	5,200	2.4
		ORIX Akasaka 2-chome Building	May 15, 2006	21,860	10.1
		Subtotal		68,618	31.8
		Other Tokyo Wards	Carrot Tower	December 1, 2001	5,479
	Toyo MK Building		December 1, 2001	5,270	2.4
	Nikko Moto Yoyogi Building		December 1, 2001	5,091	2.4
	Round-Cross Nishi Shinjuku		December 1, 2001	2,650	1.2
	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	0.7
	ORIX Ikebukuro Building		April 18, 2003	9,577	4.4
	ORIX Shinjuku Building		September 29, 2003	8,300	3.8
	Round-Cross Shinjuku		April 28, 2006	8,020	3.7
			September 30, 2005	9,000	4.2
	Seafort Square / Center Building		April 28, 2006	9,000	4.2
	Kamata Green Building		March 1, 2006	5,640	2.6
	* Shinjuku 5-chome Building (provisional name)		April 26, 2007	4,500	2.1
Subtotal		78,880	36.6		
Greater Tokyo	Neo City Mitaka	December 1, 2001	2,200	1.0	
	Excellent Kawasaki Building	April 27, 2004	4,130	1.9	
Subtotal		6,330	2.9		
	Nagoya Itochu Building	September 29, 2003	4,500	2.1	
	The SHOHO 3rd Building	March 1, 2005	13,600	6.3	
	ORIX Koraibashi Building	April 27, 2005	5,560	2.6	
	ORE Nagoya Fushimi Building	May 30, 2005	10,040	4.7	
	Subtotal		33,700	15.6	
Office Total		187,528	87.0		
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31, 2003	2,548	1.2
		Subtotal		2,548	1.2
		CUBE Daikanyama	March 31, 2004	2,435	1.1
	Subtotal		2,435	1.1	
Retail Total		4,983	2.3		
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	1.1
Subtotal		2,832	1.3		
Residential Total		4,051	1.9		
Hotel	Greater Tokyo	Cross Gate	January 10, 2002	15,040	7.0
		Subtotal		15,040	7.0
	Hotel Total		15,040	7.0	
Others	Greater Tokyo	* Koshigaya Logistics Center	April 28, 2006	4,000	1.9
		Subtotal		4,000	1.9
	Others Total		4,000	1.9	
Grand Total		215,602	100.0		

* Property scheduled for new acquisition in latest release, ** Property scheduled for disposal in latest release

Notes

- "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.
- "Acquisition price ratio" refers to the acquisition price of each property under management as a proportion of total acquisition price
- 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.
- 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.

II. Current Portfolio (not including acquisition of two properties announced today)

	Property	Acquisition		Percentage of Total Acquisition Cost	
		Date	Price(¥ million)		
Office	Tokyo Central 3 Wards	Akasaka Kyowa Building	December 1, 2001	2,087	1.0
		Aoyama Suncrest Building	December 1, 2001	3,356	1.5
		Nikko Ichi-bancho Building	December 1, 2001	3,900	1.8
		Beside Shirogane	December 21, 2001	1,300	0.6
		Round-Cross Aoyama	December 21, 2001	4,529	2.1
		Round-Cross Akasaka Mitsuke	December 21, 2001	1,650	0.8
		Nihonbashi East Building	December 21, 2001	1,720	0.8
		Landic Minami Azabu Building	December 21, 2001	1,394	0.6
		Landic Akasaka Building	January 10, 2002	11,580	5.3
		Landic Akasaka Building 2	January 10, 2002	2,624	1.2
		Landic Akasaka Building 3	January 10, 2002	697	0.3
		Landic Mita Building 2	January 10, 2002	1,748	0.8
		Shiba Daimon Building	January 10, 2002	2,195	1.0
		Landic Nagai Building	January 10, 2002	3,378	1.5
		ORIX Jimbo-cho Building	September 29, 2003	4,177	1.9
		ORIX Shiba 2-chome Building	September 29, 2003	7,500	3.4
		Aoyama 246 Building	March 3, 2004	5,200	2.4
		ORIX Akasaka 2-chome Building	May 15, 2006	21,860	10.0
		Subtotal		80,896	36.9
	Other Tokyo Wards	Carrot Tower	December 1, 2001	5,479	2.5
		Toyo MK Building	December 1, 2001	5,270	2.4
		Nikko Moto Yoyogi Building	December 1, 2001	5,091	2.3
		Round-Cross Nishi Shinjuku	December 1, 2001	2,650	1.2
		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	0.7
		ORIX Ikebukuro Building	April 18, 2003	9,577	4.4
		ORIX Shinjuku Building	September 29, 2003	8,300	3.8
		Round-Cross Shinjuku	April 28, 2006	8,020	3.7
		Seafort Square / Center Building	September 30, 2005	9,000	4.1
		Kamata Green Building	April 28, 2006	9,000	4.1
		Subtotal		74,380	33.9
	Greater Tokyo	Neo City Mitaka	December 1, 2001	2,200	1.0
		Excellent Kawasaki Building	April 27, 2004	4,130	1.9
	Subtotal		6,330	2.9	
Greater Tokyo	Nagoya Itochu Building	September 29, 2003	4,500	2.1	
	The SHOHO 3rd Building	March 1, 2005	13,600	6.2	
	ORIX Koraibashi Building	April 27, 2005	5,560	2.5	
	ORE Nagoya Fushimi Building	May 30, 2005	10,040	4.6	
	Subtotal		33,700	15.4	
	Office Total		195,306	89.0	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31, 2003	2,548	1.2
		Subtotal		2,548	1.2
	Greater Tokyo	CUBE Daikanyama	March 31, 2004	2,435	1.1
		Subtotal		2,435	1.1
Retail Total		4,983	2.3		
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	1.1
		Subtotal		2,832	1.3
Residential Total		4,051	1.8		
Hotel	Greater Tokyo	Cross Gate	January 10, 2002	15,040	6.9
		Subtotal		15,040	6.9
	Hotel Total		15,040	6.9	
Grand Total		219,380	100.0		

Notes

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- 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.