

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

For Immediate Release

REIT Issuer:

ORIX JREIT Inc. (TSE: 8954)
Koichiro Muta
Executive Director

Investment Trust Management Company:

ORIX Asset Management Corporation
Mitsuo Sato
Representative Director and President

Inquiries:

Hirofumi Yatsuduka
Director, Corporate Senior Vice President
TEL:+81 3 3435 3285

ORIX JREIT Announces Acquisition of KN Jiyugaoka Plaza

TOKYO, May 17, 2007—ORIX JREIT Inc. (“OJR”) announced today that it will purchase KN Jiyugaoka Plaza (hereafter “property”). The details of the acquisition are outlined below.

1. Acquisition Summary

Asset to be acquired:	Property
Property name:	KN Jiyugaoka Plaza
Acquisition price:	¥3,110,000,000 (excluding national and local consumption taxes)
Scheduled acquisition date:	May 30, 2007
Current owner and seller:	Ken Corporation Ltd.
Anticipated funding method:	Self-financed and loan proceeds
Payment terms:	100% on transfer

2. Purpose of the Acquisition

Based on the objectives and principles of asset management outlined in its Articles of Incorporation, OJR has decided to acquire the property with a view to expanding its portfolio in the Tokyo Metropolitan area. In deciding to acquire the property, the following points were considered to be of particular merit.

Location

The property is in Jiyugaoka, where commercial facilities such as variety shops, fashion boutiques, and cafes are concentrated. Although it is a commercial area, the population density and rate of population increase are both high. In addition, it is near the upscale residential areas of Denenchofu and Seijo and there is abundant market area, so stable tenant demand is forecast.

Property

The property is a three-minute walk from Jiyugaoka Station, where a daily average of more than 120,000 passengers are served by the Tokyu Toyoko Line and the Oimachi Line, which makes it a superior location. In addition, in this area of many small properties, this property offers a good deal of leasable floor space — more than 80 *tsubo* on the lower floors and more than 60 *tsubo* on other floors. It is a desirable property, and is highly competitive in its area.

3. Summary of Property for Acquisition

Building name	KN Jiyugaoka Plaza
Postal address	13-6 Jiyugaoka-2chome, Meguro-ku, Tokyo
Registered usage	Office, retail
Registered area	Land: 575.54 m ² Building: 1,272.60 m ² (total floor area)
Registered construction	Steel -reinforced concrete construction; flat roof; 5 floors
Registered completion date	December 13, 2001
Type of ownership	Fee simple
Previous owner	Ken Corporation Ltd.
Acquisition price	¥3,110,000,000 (excluding national and local consumption taxes)
Appraised value	¥3,110,000,000
Appraisal date	May 7, 2007
Appraiser	HIRO & REAS network, Inc.
Scheduled acquisition date	May 30, 2007
Public transit access	Three-minute walk from Jiyugaoka Station on Tokyu Toyoko Line and Oimachi Line
Usage restrictions	Commercial district (Building to land ratio 80%, floor to area ratio 400%), no height or shadow restrictions, fire zone, Jiyugaoka Minamiguchi Area planning zone
Architects	GLOBAL ENVIRONMENT THINK TANK INC.
Structural engineers	Technointerface Co., Ltd.
General contractors	Sumitomo Mitsui Construction Co., Ltd.
Building inspection agency	Government inspection
Floor load	300 kg/ m ²
Leased area	1st floor: Approx. 281 m ² (roughly 85 <i>tsubo</i>) 2nd floor: Approx. 291 m ² (roughly 88 <i>tsubo</i>) 3rd - 5th floors: Approx. 219 m ² (roughly 66 <i>tsubo</i>)
Earthquake resistance	PML 14% (Based on Shimizu Corporation evaluation report) PML shows the estimated cost of recovering the building in the event of an earthquake. The figure is based on the probability of an earthquake that may occur every 475 years, and shows the percentage of the construction costs to the replacement value. This seismic risk analysis was done by Shimizu Corporation.
Collateral	None
Special notes	None
No. of tenants	5 (as of May 17, 2007)
Projected annual rental income (including common service charges)	¥ 158 million The projection is quoted from the first year income projection using the discount cash flow method in the Appraisal Report, and does not represent any projections by OJR or ORIX Asset Management Corporation.
Security deposits	¥ 154 million
Total rent space	1,231.44 m ²
Total rentable space	1,231.44 m ²
Occupancy rate	100.0%

4. Current owner / Seller

*As of May 17, 2007

Company Name	Ken Corporation Ltd.
Address	2-7, Nishiazabu-1 chome, Minato-ku, Tokyo
Representative	Kensuke Tanaka
Shareholders' Equity	¥ 380 million
Shareholders	Individuals, others * Names will not be disclosed, as permission has not been received to do so.
Operations	<ul style="list-style-type: none">• Leasing of residential space to Japanese and foreigners• Leasing of office space• Dealing in high-end urban real estate and overseas real estate• Comprehensive real-estate planning and management consulting• Sale of trust beneficial interests based on trust agreements controlling land and its fixtures and surface rights, and land and the lease rights to its fixtures; all management and agency functions
Relationships	None

5. Intermediary

The property is being acquired through third-party agents not connected with OJR or its investment trust management company, under a separate agency contract. As this agent has not provided consent to release its company name or commission, this information will not be released.

6. Payment

Anticipated funding method: Self-financed and loan proceeds

Payment terms: 100% on transfer

7. Schedule

May 17, 2007: Decision made to acquire of the property
May 18, 2007: Execution of sale and purchase contract for the property
May 30, 2007 (planned): Transfer of the property

8. Future Outlook

This acquisition will have only a minor affect on earnings for the six-month period from March 1, 2007 to August 31, 2007. Accordingly, there are no changes to earnings forecasts for that period.

Addendums

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

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.

I. Property photo and map



II. Appraisal summary

1) Appraisal

Appraised Value	¥3,110,000,000-
Appraisal Date	May 7, 2007
Appraiser	HIRO & REAS network, Inc.

2) Valuations by method

i. Cost Method.....	¥ 1,770,000,000-
ii. Income Method	
· DCF value	¥3,110,000,000-
Discount Rate.....	4.1%
Terminal Capitalization Rate	4.3%
· DC Value.....	¥3,220,000,000-
Capitalization Rate.....	4.1%

3) Income projection

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

Unit: ¥ million

	First Year	Second Year
Rental Revenue	144	144
Other Revenue	18	21
Vacancy Loss	(4)	(2)
(A) Effective Gross Revenue	158	163
Management /Maintenance Fee	17	18
Taxes	5	5
Other Costs	0	0
(B) Total Costs	23	24
(C) Effective Net Operating Income (C = A - B)	134	139
(D) Capital Expenditure	(0)	(0)
(E) Net Income (E = C - D)	134	139

Notes: Figures are rounded down to the nearest million yen, so there may be minor discrepancies in totals.

4) Long Term Projected Repairs

According to the Engineering Report by Mitsubishi Jisho Sekkei Inc., maintenance cost over the next 12 years will be ¥21,890 thousand.

III. Portfolio summary after acquisition of property

	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
		Nikko Ichi-bancho Building	December 1. 2001	3,900	1.7
		Beside Shirogane	December 21. 2001	1,300	0.6
		Round-Cross Aoyama	December 21. 2001	4,529	2.0
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	0.7
		Nihonbashi East Building	December 21. 2001	1,720	0.8
		Round-Cross Minami Azabu	December 21. 2001	1,394	0.6
		Round-Cross Akasaka	January 10. 2002	2,624	1.2
		Landic Mita Building 2	January 10. 2002	1,748	0.8
		Shiba Daimon Building	January 10. 2002	2,195	1.0
		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	3.3
		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	5.8
			March 28. 2007	10,500	4.6
			Subtotal	77,031	33.9
	Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	2.4
		Toyo MK Building	December 1. 2001	5,270	2.3
		Nikko Moto Yoyogi Building	December 1. 2001	5,091	2.2
		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	0.6
		ORIX Ikebukuro Building	April 18. 2003	9,577	4.2
		ORIX Shinjuku Building	September 29. 2003	8,300	3.7
		Round-Cross Shinjuku	April 28. 2006	8,020	3.5
		Seafort Square Center Building	September 30. 2005	9,000	4.0
			April 28. 2006	9,000	4.0
		Round-Cross Kamata	March 1. 2006	5,640	2.5
		Round-Cross Shinjuku 5-chome	April 26. 2007	4,500	2.0
			* KN Jiyugaoka Plaza	May 30. 2007	3,110
	Subtotal	81,990	36.1		
Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.0	
	Round-Cross Kawasaki	April 27. 2004	4,130	1.8	
	Subtotal		6,330	2.8	
Other Cities	Nagoya Itochu Building	September 29. 2003	4,500	2.0	
	Round-Cross Shinsaibashi	March 1. 2005	13,600	6.0	
	ORIX Koraibashi Building	April 27. 2005	5,560	2.4	
	ORE Nagoya Fushimi Building	May 30. 2005	10,040	4.4	
	Subtotal		33,700	14.8	
	Office Total		199,051	87.6	
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.1
		Subtotal		2,548	1.1
	Other Tokyo Wards	CUBE Daikanyama	March 31. 2004	2,435	1.1
		Subtotal		2,435	1.1
	Retail Total		4,983	2.2	
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.5
		Subtotal		1,219	0.5
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.2
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.0
		Subtotal		2,832	1.2
	Residential Total		4,051	1.8	
Hotel	Greater Tokyo	Cross Gate	January 10. 2002	15,040	6.6
		Subtotal		15,040	6.6
		Hotel Total		15,040	6.6
Others	Greater Tokyo	Koshigaya Logistics Center	April 28. 2006	4,000	1.8
		Subtotal		4,000	1.8
		Others Total		4,000	1.8
	Grand Total		227,125	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 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.