

**ORIX JREIT Inc. (TSE: 8954)**  
**Hiroshi Ichikawa**  
**Executive Director**

*For any queries, please contact...*

ORIX Asset Management Corporation  
**Hirohisa Saito**  
**Executive Director**  
Tel: +81 3 3435 3443

**ORIX JREIT Inc. announces acquisition of Round-Cross Shinjuku**

Tokyo, Japan, March 22, 2005 - ORIX JREIT Inc. ("OJR") announced today that it decided to purchase **Round-Cross Shinjuku** (Property) upon completion.

*1. Acquisition summary*

Interest to be acquired	Real estate trust beneficial interest
	* OJR will terminate the trust agreement upon purchase of this particular beneficial interest and acquire the ownership of Property.
Property name	Round-Cross Shinjuku - under construction -
Acquisition price	¥ 8,020,000,000- (excluding consumption tax) This particular price has been agreed between OJR and ORIX Real Estate Corporation (ORE) pursuant to the Investigated Price stipulated separately. The price shall be fixed and not be affected by operational conditions such as occupancy rate and NOI at transfer of Property.
Estimated completion date	October 31, 2005
Estimated acquisition date	Late April, 2006
Trustee of beneficial interest	UFJ Trust Bank Ltd.
Current beneficiary of interest	ORIX Real Estate Corporation (ORE)
Prerequisite for acquisition	- Property shall be completed pursuant to the blueprint. - No defect shall be found in Property.
Cancellation penalty	10% of Acquisition price by either party who cancel the deal
Payment method	5% down at contract executed 95% at transfer of beneficial interest
Anticipated funding method	Cash on hand and/or loan proceeds

\* 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 through investing in diversified types of quality real estate, mostly in Greater Tokyo Metropolitan area. ORIX Asset Management, a wholly owned subsidiary of ORIX Corp. (TSE: 8591), provides the asset management services for OJR.

[Note]

ORE, the seller of the beneficiary interest of Property, is a subsidiary fully owned by ORIX Corporation, who is one of Related Parties to OAM, the asset manager for OJR. Therefore, Article 2 of Regulation for related party transactions (“Related Party Regulation”), the annex to Asset Management Agreement between OJR and OAM, shall be applied to this particular transaction for the beneficiary interest of Property.

The Article 2 of Related Party Regulation stipulates the case where OJR needs to strike a purchase and sales contract to acquire a real estate related asset (“Asset”) that is under or before construction and no appraisal is available for it. In such a case, OJR is able to decide a purchase price for such an Asset according to an ‘Investigation Price’ to be stipulated in an Investigation Report. An independent real estate appraiser shall make an Investigation Report in a similar fashion to that for real estate appraisal. This Investigation Price shall be further verified by an independent professional including a real estate appraiser.

As for this particular transaction, the acquisition price of ¥8,020,000,000.- is equal to the Investigation Price made by Morii Appraisal & Investment Consulting, Inc., an independent real estate appraiser who is not affiliated with Related Parties. Further, Chuo Real Estate Appraisal Co., Ltd. reviewed and verified the Investigation Price in its Opinion Report. Chuo Real Estate Appraisal Co., Ltd. is an independent real estate appraiser not affiliated with Related Parties. OJR will obtain an appraisal report of Property upon completion, which will not affect Acquisition Price.

\*Relevant disclosure ‘ORIX JREIT Inc. announces some additions and revisions for Asset Management Agreement and its annex’ of January 13, 2005, was partially revised by a disclosure of today, March 22, 2005.

### 2. OJR’s first acquisition of property under development

OJR has been facing tough competition to acquire medium-sized prime office buildings and the situation is likely to continue for the time being. Under such circumstances, OJR managed to secure the prime office property (Property) for the reasonable price through striking the deal in an early stage of the development.

At the same time, OJR managed to avoid development risk by having ORE, the seller of the beneficial interest, take physical development risk (physical completion, delayed project schedule, etc.). Further, OJR has set delivery of Property around six months after completion and secure sufficient time for the seller’s leasing up Property. Then, OJR can minimize operational and rental market risk (occupancy) at delivery of Property. OJR judges that general fundamental risk for this particular transaction is reasonable and manageable. After intensive study and detailed analysis, OJR has decided to acquire Property with quite justifiable risk and return profile.

### 3. OJR’s rationale to acquire Property

OJR has decided to acquire Property to further enhance its portfolio quality in Tokyo Metropolitan area. OJR particularly appreciates Property’s strong points including following ones.

#### 1) Location

- ✓ Property is located 2 to 4 minutes walk from Shinjuku stations of JR (Japan Railways), Odakyu Line, Keio Line and Toei Subways. Shinjuku is one of the busiest railway terminals in Japan.
- ✓ The subject site is in a mixed commercial area with substantial concentration of medium to high-rise office and retail properties. The area is adjacent to a huge office district of West Shinjuku where numbers of skyscrapers stand side by side. Thanks to these factors, the subject site is quite attractive for office use.
- ✓ OJR expects Property to attract tenants for office and others such as further education and vocational schools thanks to its location.

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## 2) Property

- ✓ Quite limited supply of competitive properties is reported in the area, and strong demand for office buildings with standard floor space over 100 tsubo (approx. 330 m<sup>2</sup>) is expected.
- ✓ OJR expects Property to secure higher than average rental level for that for similar properties in the area due to following strong points of Property.
  - a) Convenient location - two to four minutes walk from Shinjuku stations
  - b) High visibility
  - c) Newest specifications

## 4. Property summary

Building Name	Round-Cross Shinjuku
Address	2-11-9,10,11,12,19,20,26, Yoyogi, Shibuya-ku, Tokyo
Completion	October 31, 2005 -Estimated-
Structure	Steel-frame, steel frame reinforced concrete, 9 stories above ground with 2 basement floors
Gross Area	6,426.21 m <sup>2</sup>
Rentable Area	4,734.30 m <sup>2</sup>
Parking	23 lots

## 5. Current owner of beneficial interest

Name	ORIX Real Estate Corporation (ORE)
Address	2-4-1, Hamamatsu-cho, Minato-ku, Tokyo
Representative	Mr. Hiroaki Nishina
Date of Incorporation	March 11, 1999
Shareholder	ORIX Corporation (100% owner)
Operations	Development, leasing, and management of condominium, single family houses, and office buildings

## 6. Schedule

March 22, 2005	Execution of purchase and sales contract for Property
October 31, 2005	Estimated completion of Property
Late April, 2006	Transfer of Beneficiary Interest and Property

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7. Fiscal period forecast after acquisition of Property

OJR will disclose the ninth fiscal period financial forecast (March 1 - August 31, 2006) including Property together with the eighth fiscal period results (September 1, 2005 – February 28, 2006) in the middle of April, 2006.

8. Addendum

- 8-1. Property design drawing/ Current photo of the site/ Map
- 8-2. Summary of Investigation Report
- 8-3. Summary of Opinion Report
- 8-4. Portfolio Summary after acquisition of Property
- 8-5. Current Portfolio Summary

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8-1. Property design drawing/ Current photo of the site/ Map

[Property design drawing]



[Current photo of the site]



[Map]



## 8-2. Summary of Investigation Report

### (1) Price

Investigation Price	¥8,020,000,000.-
Investigation Date	January 31, 2005
Appraiser	Morii Appraisal & Investment Consulting, Inc.

### (2) Valuations by method

i. Cost Method.....	¥ 5,970,000,000.-
ii. Income Method .....	¥ 8,020,000,000.-
· Discount Cash Flow value .....	¥ 8,020,000,000.-
Discount Rate.....	4.7%
Terminal Capitalization Rate .....	5.0%
· Direct Capitalization .....	¥ 7,930,000,000.-
Capitalization Rate.....	5.0%

### (3) Income projection

Following projection is quoted from the first and the second year income projection used in Discount Cash Flow Method of the Investigation Report. Therefore, it doesn't represent any of OJR's projection.

<u>Unit : Million</u>	<i>Year 1</i>	<i>Year2</i>
[Income]		
Rental Income	506	506
Vacancy Loss	-36	-19
<b>Income (a)</b>	<b>470</b>	<b>487</b>
[Expense]		
Repair and Maintenance	27	27
Office Management	9	9
Taxes	45	45
Insurance Premium	1	1
Leasing Fees, etc.	1	2
<b>Expense (b)</b>	<b>84</b>	<b>86</b>
<b>NOI (c=a-b)</b>	<b>385</b>	<b>401</b>

## 8-3. Summary of Opinion Report

Investigation Price	¥8,020,000,000.-
Report Date	March 3, 2005
Reporter	Chuo Real Estate Appraisal Co., Ltd. (Chuo)
Summary	Chuo judges Investigation Price of ¥8,020,000 reasonable after having reviewed Investigation Report including but not limited to its appraisal methods and assumptions.



8-4. 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	1.2	
		Aoyama Suncrest Building	December 1. 2001	3,356	2.0	
		Ascend Kanda	December 1. 2001	670	0.4	
		Nikko Ichi-bancho Building	December 1. 2001	3,900	2.3	
		VX Kayabacho Building	December 1. 2001	880	0.5	
		Beside Shirogane	December 21. 2001	1,300	0.8	
		Round-Cross Aoyama	December 21. 2001	4,529	2.7	
		Shiba East Building	December 21. 2001	707	0.4	
		Round-Cross Akasaka Mitsuke	December 21. 2001	1,650	1.0	
		Nihonbashi East Building	December 21. 2001	1,720	1.0	
		Landic Minami Azabu Building	December 21. 2001	1,394	0.8	
		Landic Akasaka Building	January 10. 2002	11,580	6.8	
		Landic Akasaka Building 2	January 10. 2002	2,624	1.5	
		Landic Akasaka Building 3	January 10. 2002	697	0.4	
		Landic Mita Building 2	January 10. 2002	1,748	1.0	
		Shiba Daimon Building	January 10. 2002	2,195	1.3	
		Landic Nagai Building	January 10. 2002	3,378	2.0	
		ORIX Jimbo-cho Building	September 29. 2003	4,177	2.4	
		ORIX Shiba 2-chome Building	September 29. 2003	7,500	4.4	
		Aoyama 246 Building	March 3. 2004	5,200	3.0	
		<b>Subtotal</b>		<b>61,293</b>	<b>35.9</b>	
		Other Tokyo Wards	Carrot Tower	December 1. 2001	5,479	3.2
			Center Machiya	December 1. 2001	610	0.4
			Toyo MK Building	December 1. 2001	5,270	3.1
			Nikko Moto Yoyogi Building	December 1. 2001	5,091	3.0
			Round-Cross Nishi Shinjuku	December 1. 2001	2,650	1.6
			Beside Kiba	December 21. 2001	2,450	1.4
			Waseda Ekimae Building	December 21. 2001	1,628	1.0
			DT Gaien	December 21. 2001	2,430	1.4
			Yoyogi Forest Building	December 21. 2001	1,473	0.9
			Sunny Building	September 30. 2002	5,300	3.1
			ORIX Ikebukuro Building	April 18. 2003	9,577	5.6
			ORIX Shinjuku Building	September 29. 2003	8,300	4.9
			<b>Round-Cross Shinjuku</b>	<b>Late April, 2006</b>	<b>8,020</b>	<b>4.7</b>
			<b>Subtotal</b>		<b>58,278</b>	<b>34.2</b>
		Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.3
			Excellent Kawasaki Building	April 27. 2004	4,130	2.4
			<b>Subtotal</b>		<b>6,330</b>	<b>3.7</b>
	Other Cities	OX Basho no Tsuji Building	December 1. 2001	882	0.5	
		OX Otsu Building	December 1. 2001	181	0.1	
		Nagoya Itochu Building	September 29. 2003	4,500	2.6	
		The SHOHO 3rd Building	March 1. 2005	13,600	8.0	
		<b>Subtotal</b>		<b>19,163</b>	<b>11.2</b>	
	<b>Office Total</b>		<b>145,065</b>	<b>85.0</b>		
Retail	Tokyo Central 3 Wards	Nihon Jisho Minami Aoyama Building	October 31. 2003	2,548	1.5	
		<b>Subtotal</b>		<b>2,548</b>	<b>1.5</b>	
	Other Tokyo Wards	OX Kameido Building	December 1. 2001	438	0.3	
		CUBE Daikanyama	March 31. 2004	2,435	1.4	
		<b>Subtotal</b>		<b>2,873</b>	<b>1.7</b>	
	Other Cities	OX Mito Building	December 1. 2001	498	0.3	
		OX Gifu Building	December 1. 2001	528	0.3	
	<b>Subtotal</b>		<b>1,026</b>	<b>0.6</b>		
	<b>Retail Total</b>		<b>6,447</b>	<b>3.8</b>		
Residential	Tokyo Central 3 Wards	Park Axis Nishi Azabu Stage	December 1. 2001	1,219	0.7	
		<b>Subtotal</b>		<b>1,219</b>	<b>0.7</b>	
	Other Tokyo Wards	Grand Maison Hakusan	December 1. 2001	455	0.3	
		Sonet Kami Ikebukuro	December 1. 2001	2,377	1.4	
		<b>Subtotal</b>		<b>2,832</b>	<b>1.7</b>	
	<b>Residential Total</b>		<b>4,051</b>	<b>2.4</b>		
Others	Greater Tokyo	Cross Gate	January 10. 2002	15,040	8.8	
		<b>Subtotal</b>		<b>15,040</b>	<b>8.8</b>	
		<b>Others Total</b>		<b>15,040</b>	<b>8.8</b>	
	<b>Grand Total</b>		<b>170,603</b>	<b>100.0</b>		

Newly acquire Building  
Estimated

8-5.Current Portfolio Summary

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		Date	Price(¥ million)			
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			ORIX Shinjuku Building	September 29. 2003	8,300	5.1
			<b>Subtotal</b>		<b>50,258</b>	<b>30.9</b>
		Greater Tokyo	Neo City Mitaka	December 1. 2001	2,200	1.4
			Excellent Kawasaki Building	April 27. 2004	4,130	2.5
			<b>Subtotal</b>		<b>6,330</b>	<b>3.9</b>
		Other Cities	OX Basho no Tsuji Building	December 1. 2001	882	0.5
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			The SHOHO 3rd Building	March 1. 2005	13,600	8.4
			<b>Subtotal</b>		<b>19,163</b>	<b>11.8</b>
			<b>Office Total</b>		<b>137,045</b>	<b>84.3</b>
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		<b>Others Total</b>		<b>15,040</b>	<b>9.3</b>	
		<b>Grand Total</b>		<b>162,583</b>	<b>100.0</b>	