

For Immediate Release

REIT Issuer:

ORIX JREIT Inc. (TSE: 8954)
Hiroshi Yasuda
President and Executive Director

Asset Management Company:

ORIX Asset Management
Corporation
Yoshitaka Kamemoto
President and CEO

Inquiries:

Junko Kanazawa
Director, Corporate Senior Vice
President
TEL : +81 3 5418 4858

ORIX JREIT Announces Property Acquisitions **“ARK Hills South Tower and KONAMI SPORTS CLUB KORIEN”**

TOKYO, October 13, 2015 — ORIX JREIT Inc. (“OJR”) announced that our asset management company, ORIX Asset Management Corporation (“OAM”), passed a resolution on the property acquisitions as described below.

1. Summary of Properties to be acquired

Property	Type	Area (Note 2)	Seller	Acquisition Price (million yen)	Appraisal Value (million yen)	NOI Yield (%) (Note 3)	Yield after Depreciation (%) (Note 4)
ARK Hills South Tower	Offices	6 Central Tokyo Wards (Minato-ku)	Sponsor (Co-development) (Note 5)	22,000 (Note 6)	22,000 (Note 6)	3.8	3.3
KONAMI SPORTS CLUB KORIEN	Retail Facilities	Other Areas (Osaka)	A third party (Note 7)	1,600	1,690	6.6	5.0
Total				23,600	23,690	4.0	3.4
Existing Portfolio ^(Note 8)				-		5.0	3.8

Notes:

- “Properties to be acquired” refers to the each property or collectively to all the properties indicated above.
- “6 Central Tokyo Wards” refers to Chiyoda, Chuo, Minato, Shinjuku, Shibuya and Shinagawa wards and “Remaining Tokyo Wards” refers to the remaining Tokyo wards other than the “6 Central Tokyo Wards.” “Other Parts of the Greater Tokyo Area” refers to parts of Tokyo other than the “6 Central Tokyo Wards” and “Remaining Tokyo Wards,” Kanagawa, Saitama and Chiba Prefectures. “Other Areas” refers to areas other than the “6 Central Tokyo Wards,” “Remaining Tokyo Wards” and “Other Parts of the Greater Tokyo Area”.
- The “NOI Yield” of Properties to be acquired is calculated by using the formula: “Net Revenue” in the direct capitalization method recorded in the appraisal reports at the time of decision to acquire / Scheduled acquisition price; the figures are rounded to the first decimal place.
- The “Yield after Depreciation” of Properties to be acquired is calculated by using the formula: (“Net revenue” in the direct capitalization method recorded in the appraisal reports at the time of decision to acquire – “estimated depreciation” assumed by OAM) / Scheduled acquisition price; the figures are rounded to the first decimal place.
- “Sponsor (Co-development)” refers to properties that were planned, developed and tenanted by the ORIX Group. “ORIX Group” refers to ORIX Corporation and its group companies.
- The acquisition price and appraisal value of ARK Hills South Tower indicate the figures equivalent to the co-ownership interest (25% equity in the entire building and its site) which is the trust property OJR plans to acquire.
- The seller is not disclosed because the consent of the seller could not be obtained, including information on the type of the company.
- “Existing Portfolio” refers to the properties owned as of the 27th fiscal period ended August 31, 2015 added by the four properties (DUPLEX GINZA TOWER 2/11, VIA INN SHINSAIBASHI BLDG., HOTEL KEIHAN SAPPORO, and Richmond Hotel Yamagata Ekimae) acquired in/after the 28th fiscal period ending February 29, 2016. Portion of two properties (Yoyogi Forest Building and Round-Cross Ichi-bancho) transferred in the 27th fiscal period ended August 31,

2015 is also taken into account. “NOI Yield” and “Yield after Depreciation” of existing portfolio are calculated based on the annualized actual figures for properties owned as of the 27th fiscal period ended August 2015 and the figures for the four properties acquired in/after the 28th fiscal period ending February 29, 2016 are calculated based on the figures in appraisal reports at the time of acquisition.

2. Purpose of the Acquisition

OJR understands that, although Japan’s economic environment that surrounds OJR is on track for modest recovery, downside risks of the economy are increasing in the face of the instability being felt for the global economy.

Under such a situation and with the perception of the real estate market environment as stated below, OJR has formulated management tactics for its internal and external growth strategies that take advantage of the ORIX Synergy^(Note 1) and the strengths as a Diversified REIT, based on the stability of its portfolio and financial operations. Following such tactics, OJR invests selectively from the perspectives of growth potential, profitability and stability. By doing so, OJR aims to continue to achieve stable growth of its unitholders’ value into the future.

● Awareness of the environment

- While upward movements in rents have been observed primarily for office buildings in downtown areas, full-scale rental growth is yet to take place. There is a growing concern of move-outs by tenants who wish to find relocation destinations before rents start to rise in a full-scale manner.
- In the current situation, we think that the key points for achieving internal growth are 1) scarce properties, 2) tenants highly responsive to economic conditions, and 3) flexible leasing.
- Competition to acquire real estate including REITs continues to be overheated, and the cap rate for all asset classes is falling due to the scarcity of blue-chip properties.

● Management tactics

- Implement the improvement of contractual lease term while determining whether to focus on the occupancy rate or on the rent per unit for each property through “Direct PM”^(Note 2).
- Enhance the stability of the portfolio by continuing investments selectively in each property. (Acquire properties for the portfolio with the yield on the existing portfolio^(Note 3) as a guideline)
- Promote diversification of growth opportunities by diversifying properties to acquire (such as increasing investments in hotels whose growth factors are different from office buildings), diversifying acquisition methods (utilizing expertise of ORIX Group) and diversifying fund procurement for acquisitions (capital increase through issuance of investment units, use of borrowing capacity and use of free cash flows)
- Continue to consider property replacement strategy (disposal of properties with concerns regarding declining competitiveness in the future or that have relatively low profitability)

On this occasion, the decision was made on the above management tactics to acquire a large-scale, relatively new office buildings (25% co-ownership interest) in central Tokyo by exercising of the rights of first negotiation granted to OJR when it acquired the preferred equity securities backed by the real property because its liquidity can be enhanced and OJR can directly handle its operations.

In addition to that, OJR decided to acquire a retail property in Osaka that stability and profitability can be expected.

Note:

1. The “ORIX Synergy” refers to the cooperative relationship between ORIX Group companies and OJR.
2. “Direct PM” is the support of property management operations by OAM, through leasing activities, adding of value to properties and other means while utilizing the ORIX Synergy.
3. For details, please refer to the press release “ORIX JREIT Announces Asset Acquisitions ‘ARK Hills South Tower (Preferred equity securities) and ORE Omiya Building’” announced on April 13, 2015.

3. Acquisition Summary

1) ARK Hills South Tower

Property to be acquired	: Real estate trust beneficial interest ^(Note 1)
Acquisition price	: ¥22,000,000,000 (excluding national and local consumption taxes, etc.)
Contract date	: October 13, 2015
Scheduled acquisition date	: October 15, 2015
Current owner and seller	: Hiratsuka Holding Tokutei Mokuteki Kaisha
Funding method	: Borrowings ^(Note 2) and cash on hand
Payment term	: 100% on delivery

2) KONAMI SPORTS CLUB KORIEN

Property to be acquired	: Real estate trust beneficial interest
Acquisition price	: ¥1,600,000,000 (excluding national and local consumption taxes, etc.)
Contract date	: October 13, 2015
Scheduled acquisition date	: October 30, 2015
Current owner and seller	: Not-disclosed ^(Note 3)
Funding method	: Cash on hand
Payment term	: 100% on delivery

Notes:

1. The property represents trust beneficial interest for the 25% co-ownership interest of the entire building and its site as trust property. The same applies hereafter.
2. For details, please refer to the press release "ORIX JREIT Announces New Debt Financings" announced today.
3. The current owner and seller is not disclosed because the consent of the seller could not be obtained, including information on the type of the company.

4. Summary of Properties to be acquired

1) ARK Hills South Tower

Specified asset category		Real estate trust beneficial interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Term of trust agreement		August 31, 2015 through August 31, 2035
Scheduled acquisition date		October 15, 2015
Acquisition price		¥22,000,000,000 (excluding national and local consumption taxes, etc.)
Appraisal value		¥22,000,000,000 ^(Note 1)
Date of Appraisal		September 1, 2015
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Address		1-4-5 Roppongi, Minato-ku, Tokyo
Public transit access		Directly connected to the "Roppongi-itchome" station on Tokyo Metro Namboku Line
Land	Registered Area	5,885.84m ² (entire land) ^(Note 2) *A part (39.15 m ²) of the land is used as a road.
	Usage restrictions	Commercial zone, Category II residential zone
	Type of ownership	Co-ownership (Co-ownership interest: 25%)
Building	Registered usage	Office, Retail, Parking
	Registered completion date	July 2013
	Type of ownership	Co-ownership (Co-ownership interest: 25%)
	Registered Area	53,043.48 m ² (entire building) ^(Note 3)
	Registered construction	Steel-frame, Steel-frame reinforced concrete, Reinforced concrete with flat roof, 20 floors with 4 underground floors

	Architect	Mori Building Co., Ltd. First-Class Architect Office
	Structural engineer	Mori Building Co., Ltd. First-Class Architect Office
	General contractor	SHIMIZU CORPORATION
	Building inspection agency	The Building Center of Japan
	Main facilities and specifications	Elevator: 17 Escalator:4 Parking: 136 vehicles (mechanical parking sytem:123) Leased Area (Standard floor area): Approx. 1,883m ² (Approx. 570 tsubo) Ceiling Height: 2,900 mm
	Earthquake resistance (with or without earthquake insurance)	PML ^(Note4) : 2% (without) (based on Sompo Japan Nipponkoa Risk Management, Inc. report)
Previous owner (beneficiary)		Hiratsuka Holding Tokutei Mokuteki Kaisha
Scheduled Property Manager		Mori Building Co., Ltd.
Collateral		None
Special notes		➤ The following provisions are contained in the co-ownership agreement: i. Administration and management of the Property are conducted in accordance with the approval of all of the co-owners and beneficiaries (the “Relevant Parties”) or the majority of the co-ownership interests, as applicable. If such approval is not obtained from all of the Relevant Parties or the majority of the co-owners’ percentage of ownership, each Relevant Party may request all of the other Relevant Parties having a different opinion to sell their co-ownership or trust beneficial interest. Any Relevant Party who receives such request (the “Sales Required Party”) may also make the same request to the Relevant Party who has made such request (the “Sales Requesting Party”) and other Relevant Parties having the same opinion with the Sales Requesting Party (together with the Sales Requesting Party, the “Sales Requesting Party Group”). The Sales Required Party and the Sales Requesting Party Group will each offer their desired sales price to the other party in accordance with the prescribed procedures. Finally, any Relevant Party who has offered the higher desired sales price (the adjusted price based on the co-ownership interest) to the other party will purchase the co-ownership of, or the trust beneficial interest in the Property, held by other Relevant Parties having a different opinion. ii. Each Relevant Party may request any other Relevant Party to sell its co-ownership of, or trust beneficial interest of the Property in the event that (a) such Relevant Party breaches a material obligation under the co-ownership agreement and such other Relevant Party fails to correct such breach within 30 days after the receipt of the written demand from each Relevant Party, or (b) such each Relevant Party reasonably believes that such other Relevant Party’s financial condition has been substantially deteriorated. iii. Each Relevant Party will have rights of first negotiation to purchase the co-ownership of, or trust beneficial interest of the Property held by the other Relevant Party in the event such other Relevant Party desires to transfer the same. If a transferring party desires to transfer the same to its affiliate, each Relevant Party may not exercise its rights of first negotiation. ➤ Pursuant to the “rent-free land lease contract dated October 12, 1973, each Relevant Party has authorized Minato-ku to use a certain part of the land constituting the Property for free so that

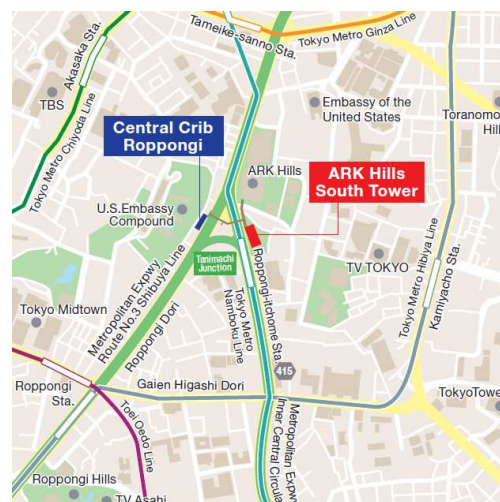
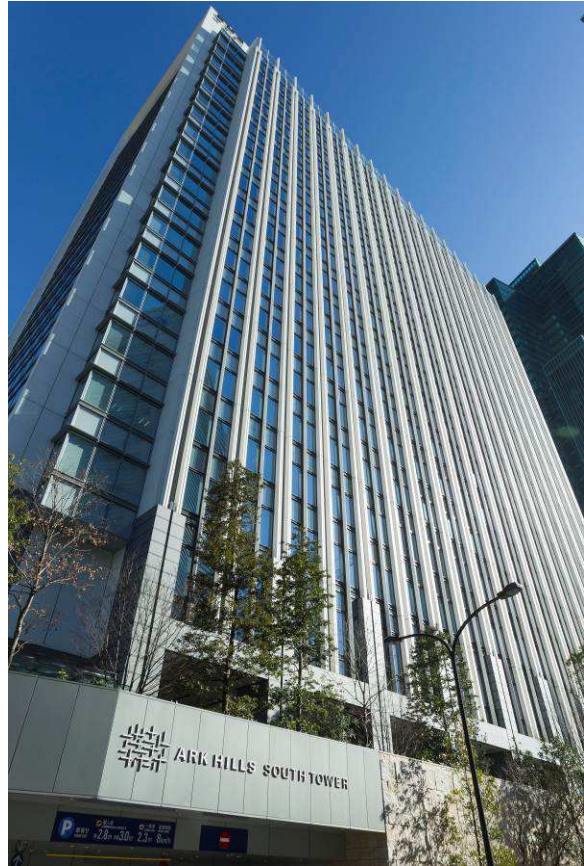
	➤ Minato-ku can use it as the site of a children's playground facility. ➤ Pursuant to the land lease contract dated July 7, 1993, each Relevant Party authorized Tokyo Metro Co., Ltd. to use a certain part of the land constituting the Property for free so that Tokyo Metro Co., Ltd. could lay a subway railroad on such land. It has been determined, among others, that if all or any part of such land is transferred to any third party, such contract will be inherited by such third party. ➤ The erosion barrier on the land on the east side has crossed the boundary with the land. ➤ A part of the high fence of the Property has crossed the boundary with the neighboring land on the southeast side.
Special features of the property	➤ The property is a relatively new large office building that the ORIX Group was involved in the development of. It is in the Roppongi area that is increasingly becoming more of an office area, including large-scale development such as “Roppongi Hills” and “Tokyo Midtown” etc. ➤ In addition to the scarcity value of being directly connected to the “Roppongi-itchome” Station on the Tokyo Metro Namboku Line, it is at a highly convenient location within walking distance of five stations on five lines (Roppongi Station, Kamiyacho Station, Tameike-Sanno Station, and Akasaka Station) and has excellent access to main city center terminals. ➤ The location is surrounded by high-quality residential areas (Akasaka, Azabu, and Aoyama), which is a selling point for IT companies and foreign companies highly responsive to economic conditions that have needs for the workplace to be near homes due to a high awareness of the work-life balance. ➤ The property has 18 office tenants and 15 store tenants for a total of 33 tenants. IT companies account for approximately 60% of the office rental floor area, while foreign companies account for 30% of this area. ➤ Small compartment floors are located on the lower floors in order to actively attract growing businesses and foreign companies establishing a foothold in Japan. ➤ The commercial area has restaurants and supermarkets in response to the needs of workers and residents in the area. ➤ The property is composed of shaped standard floors with an area of approximately 570 tsubo that allows for flexible leasing. With ample specs that include a ceiling height of 2,900 mm and lighting from four directions, high competitiveness can be expected through the provision of a comfortable working environment. ➤ In addition to high energy-saving performance achieved through the adoption of low-E glass,^(Note 5) automatic adjustment LED lighting, etc., the property features high seismic capacity using vibration control devices on each floor, and excellent business continuity features that include an exclusive diesel power generator that can provide continuous power for up to 72 hours and a dedicated tenant power generator installation space that can support the independent BCP guidelines of each company.
Summary of the Engineering Report Note: The figures below represent the whole property.	
Reporting Company	NIPPON KANZAI Co., Ltd.
Date of inspection	December 17, 2014
Maintenance Cost	¥197 million ^(Note 6) (Total amount of 12 years from the date of inspection)
Replacement Cost	¥13,964 million ^(Note 6)

Summary of Rental status (as of August 31, 2015) Note: The figures below represent the whole property.		
	No. of tenants	33
	Gross rental income	Not-disclosed ^(Note 7)
	Security deposits	Not-disclosed ^(Note 7)
	Total rent space	35,267.28m ² ^(Note 8)
	Total rentable space	36,062.45m ² ^(Note 8)
	Occupancy rate	97.8%
Assumed net operating income (NOI)		Not-disclosed ^(Note 7)

Notes:

1. The appraisal value indicates the value equivalent to the 25% co-ownership interest, which is the trust property OJR plans to acquire.
2. The land area equivalent to the 25% co-ownership interest, which is the trust property OJR plans to acquire, is approximately 1,461.67m².
3. The registered floor area equivalent to the 25% co-ownership interest, which is the trust property OJR plans to acquire, is approximately 1,461.67m².
4. PML (Probable Maximum Loss) shows the ratio (%) of cost of recovering a building after it is damaged to its state before the damage occurred against replacement cost, when assuming an earthquake that may occur once in 475 years in average in probability statistics (recurrence interval of 475 years). The earthquake risk of a building is evaluated based on the event risk curve that shows the relationship of amount of expected loss (horizontal axis) and probability for the loss to exceed the year (vertical axis). However, the risk curve has variability because loss evaluation comes with uncertainties in earthquake resistance performance of the building, behavior of earthquake vibration, etc. Accordingly, the above PML figures use the risk curve with credibility level of 90%, and are rounded to the nearest whole number.
5. "Low-E glass" is an abbreviation for "Low Emissivity glass" and refers to double-layered glass with special metallic film attached on the internal sides. It has higher heat insulating performance compared to conventional double layered glass as the metallic film achieves conduction of radiant heat.
6. Figures are rounded down to the nearest million yen.
7. Figures are not disclosed because the consent of the owners of co-ownership interest could not be obtained.
8. "Total rent space" and "Total rentable space" includes spaces for storage.

Photo and map



2) KONAMI SPORTS CLUB KORIEN

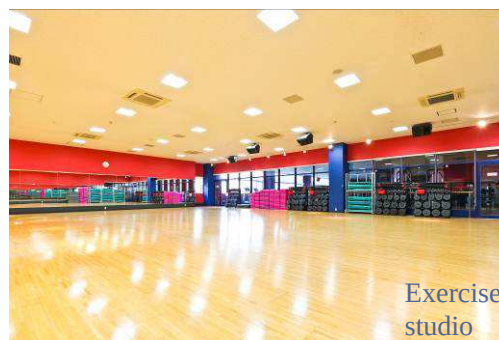
Specified asset category		Real estate trust beneficial interest
Trustee		Resona Bank, Limited.
Term of trust agreement		March 10, 2006 through October 30, 2025 (Scheduled)
Scheduled acquisition date		October 30, 2015
Acquisition price		¥1,600,000,000 (excluding national and local consumption taxes, etc.)
Appraisal value		¥1,690,000,000
Date of Appraisal		September 1, 2015
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Address		2-15 Nisshin-cho, Neyagawa-shi, Osaka
Public transit access		Approx. 11-minute walk from “Korien” Station on Keihan Main Line
Land	Registered Area	3,702.88 m ²
	Usage restrictions	Secondary-industrial zone
	Type of ownership	Fee simple ownership
Building	Registered usage	Sports center, Parking
	Registered completion date	November 2002
	Type of ownership	Fee simple ownership
	Registered Area	7,918.55 m ²
	Registered construction	Steel-framed alloy-coated steel plate roof, 6 floors
	Architect	Cohnan Architectural Office
	Structural engineer	COHNAN KENSETSU INC.
	General contractor	COHNAN KENSETSU INC.
	Building inspection agency	CENTER OF INTERNATIONAL ARCHITECTURAL STANDARD / Neyagawa-shi
	Main facilities and specifications	Elevator: 2 Parking: 138 vehicles
	Earthquake resistance (with or without earthquake insurance)	PML ^(Note1) : 5% (without) (based on Sompo Japan Nipponkoa Risk Management, Inc. report)
Previous owner (beneficiary)		Not-disclosed ^(Note 2)
Scheduled Property Manager		ORIX Corporation
Collateral		Yes *For details, please see “Special features of the property” below.
Special notes		➤ A mortgage has been established for the building of the property, with Konami Sports Co., Ltd. (currently Konami Sports Club Co., Ltd.) as the mortgagee and the obligation to refund security deposits to tenants (308,606,250 yen) (as of September 30, 2015), etc. as the secured claim.
Special features of the property		➤ The property is a sports club located in a commuter town in Osaka and is approximately an 11-minute walk from Korien Station on the Keihan Main Line. ➤ The trade area within a radius of 3km from the property has a thick population of approx. 240,000 with residents comprising wide-ranging and well-balanced age groups from children to middle-aged and elderly people. As such, the area provides a good location suitable for an integrated sports club. ➤ The location offers excellent ability to attract customers as people can easily get around through a concentration of food supermarkets, home centers, various clothes shops, hospitals and other facilities.

	➤ The property features good access from the National Route 170 (Outer Loop Road), which is the main highway, and provides high convenience for users with parking lots for 138 vehicles and 150 bicycles available. ➤ On top of such basic facilities as pools, machine gyms and studios, the property is equipped with a gym suitable for child programs, a orthopedic clinic that is highly demanded by elderly people and an esthetic salon for women, etc., in response to a wide range of exercise- and health-related demand. ➤ The tenant is Konami Sports Club Co., Ltd., the largest operator in the fitness industry.
Summary of the Engineering Report	
Reporting Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of inspection	May 12, 2015
Maintenance Cost	¥199 million ^(Note 3) (Total amount of 12 years from the date of inspection)
Replacement Cost	¥1,389 million ^(Note 3)
Summary of Rental status (as of August 31, 2015)	
No. of tenants	1
Gross rental income	Not-disclosed ^(Note 2)
Security deposits	Not-disclosed ^(Note 2)
Total rent space	8,176.36 m ²
Total rentable space	8,176.36 m ²
Occupancy rate	100%
Assumed net operating income (NOI)	¥111 million per annum ^(Note3) (Note) The net operating income (NOI) represents the assumed revenue/expenditure balance under stabilized occupancy, based on the terms of the lease contract, etc. at the scheduled acquisition date, but excluding extraordinary factors that may occur during the first year of acquisition. The preconditions are as below; these figures are not what OJR expects for the current fiscal year. 1) Occupancy rate: 100% 2) Taxes: Taxes are calculated on the standard tax amount for fiscal 2015.

Notes:

1. PML (Probable Maximum Loss) shows the ratio (%) of cost of recovering a building after it is damaged to its state before the damage occurred against replacement cost, when assuming an earthquake that may occur once in 475 years in average in probability statistics (recurrence interval of 475 years). The earthquake risk of a building is evaluated based on the event risk curve that shows the relationship of amount of expected loss (horizontal axis) and probability for the loss to exceed the year (vertical axis). However, the risk curve has variability because loss evaluation comes with uncertainties in earthquake resistance performance of the building, behavior of earthquake vibration, etc. Accordingly, the above PML figures use the risk curve with credibility level of 90%, and are rounded to the nearest whole number.
2. Previous owner is not disclosed because the consent of the previous owner could not be obtained, including information on the type of the company.
3. Figures are rounded down to the nearest million yen.
4. Figures are not disclosed because the consent of the tenant could not be obtained.

Photo and map



5. Profile of Owner/Seller

1) ARK Hills South Tower (as of September 29, 2015)

Company name	Hiratsuka Holding Tokutei Mokuteki Kaisha (the “TMK”)
Address	#201, 3-22-10 Toranomom, Minato-ku, Tokyo
Representative	Representative: Kazuhiro Matsuzawa
Primary business	Transfer of the specified assets and operations related to its management and disposal
Shareholders’ equity	3 million yen
Major shareholders	Not-disclosed *Major shareholders are disclosed because the consent of the TMK could not be obtained.
Net Assets	¥32,399 million (as of November 30, 2014)
Total Assets	¥59,928 million (as of November 30, 2014)
Date of establishment	February 12, 2008
Relationships with OJR or its asset management company	
Capital relationship	There is no capital relationship required for reporting between OJR and the Company. However, ORIX Corporation, the parent company of OAM (a “related party” of OAM as stipulated in the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”)) and OJR have preferred equity in the TMK.
Personal relationships	There is no personal relationship required for reporting between OJR or OAM and the TMK.
Business relationships	There is no business relationship required for reporting between OJR or OAM and the TMK.
Applicability to related parties	The TMK does not fall under “related party” of OJR. However, ORIX Real Estate Investment Advisors Corporation (a “related party” of OAM as stipulated in the Investment Trusts Act) is contracted to provide asset management for the TMK. The TMK falls under “related party” as stipulated in the “Affiliated Company Transaction Regulations,” which are internal rules of OAM. However, as the TMK is to terminate the consignment of the said asset management operations as of the scheduled acquisition date of the property to be acquired (October 15, 2015), it will no longer fall under the category of “related party,” as stated above, on the date and thereafter.

2) KONAMI SPORTS CLUB KORIEN

The seller is not disclosed because the consent of the seller could not be obtained, including information on the type of company. OJR transferred two properties (total transfer price: ¥2,850 million) in the Fiscal Period ended August 2015 to the seller. There are no capital and personal relationship required for reporting between OJR or OAM and the seller. The seller does not fall under “related party” of OJR and OAM.

6. Information of previous Ownership, etc.

1) ARK Hills South Tower

	Previous owner	Owner before previous owner
Company name	Hiratsuka Holding Tokutei Mokuteki Kaisha	Not a party having special relationship of interest
Special relationships involved	Refer to Section 5 “Profile of Owner/Seller” above	—
Background to and reason for acquisition	Development (Construction completed in July, 2013)	—
Acquisition date	—	—
Acquisition price	—	—

2) KONAMI SPORTS CLUB KORIEN

The property is not acquired from a party with any special interest relationships with OJR or OAM.

7. Transaction with Related-Party, etc.

The following transaction has followed procedures in accordance with the Affiliated Company Transaction Regulations which are internal rules of OAM.

1) Property Acquisition

OJR will acquire “ARK Hills South Tower” from Hiratsuka Holding Tokutei Mokuteki Kaisha. For a summary of these related parties, please see “5. Profile of Owner/Seller” above.

2) Conclusion of Property Management Agreement

OJR will conclude property management operations agreements with ORIX Corporation. For the summary of these related parties, etc., please see below.

(as of July 22, 2015)

Company name	ORIX Corporation (“the Company”)
Address	2-4-1 Hamamatsu-cho, Minato-ku, Tokyo
Representative	President and CEO: Makoto Inoue
Primary business	Lease, installment sales and other financial services, real estate-related businesses, etc.
Shareholders’ equity (as of June 30, 2015)	¥220,456 million
Major shareholders (as of March 31, 2015)	Japan Trustee Services Bank, Ltd. (trust account)
Net Assets (as of June 30, 2015)	¥2,352,389 million yen
Total Assets (as of June 30, 2015)	¥11,252,045 million yen
Date of establishment	March 28, 1950
Relationships with OJR or its asset management company	
Capital relationship	There is no capital relationship required for reporting between OJR and the Company. However, the Company is the parent company of OAM and falls under “related parties” of OAM as stipulated in the Investment Trusts Act.
Personal relationships	As of September 30, 2015, 61 persons of the officers and employees of OAM are seconded from the Company.
Business relationships	OJR acquired a property (acquisition price: ¥7,030 million) and preferred equity securities (acquisition price: ¥9,821 million) in the Fiscal Period ended August 2015 and three properties (acquisition price: ¥7,950) in the Fiscal Period ending February 2016 from the Company.
Applicability to related parties	The Company does not fall under “related party” of OJR. As mentioned above, the Company falls under “the related parties” of OAM as stipulated in the Investment Trusts Act.

8. Profile of Intermediary (Both Properties)

None

9. Future Outlook

With regard to impact on the financial forecast for the 28th fiscal period (from September 1, 2015 through February 29, 2016) and the 29th fiscal period (from March 1, 2016 through August 31, 2016) due to the property acquisitions, please refer to the press release “ORIX JREIT Announces Financial Results for the 27th Fiscal Period (Ended August 31, 2015)” announced today.

The preferred equity securities of Hiratsuka Holding Tokutei Mokuteki Kaisha of which OJR owns are planned to be cancelled after the acquisition of the property to be acquired “ARK Hills South Tower.”

10. Appraisal Summary

I. Appraisal summary

(1) ARK Hills South Tower

Name of property	ARK Hills South Tower
Date of Value	September 1, 2015
Appraisal Value (In thousands of yen)	22,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.

(In thousands of yen)

Item	Content	Grounds
Capitalization Method	22,000,000	Calculated with the DCF method as a standard and by conducting verification based on the direct capitalization method.
Valuation by the Direct Capitalization Method (co-ownership)	22,900,000	
co-ownership interest	25%	
Valuation by the Direct Capitalization Method (entire building)	91,700,000	
(1) Gross Operating Revenue [(a)-(b)]	4,337,965	
(a) Effective gross revenue	4,630,031	The rent revenues, common service fee revenues, utilities revenues, parking lot revenues, etc. considered to be stable assessed in consideration of the competitiveness of the subject real estate, past results, budget, market trends, recent rent examples, etc.
(b) Vacancy loss	292,066	Assessed based on vacancy rate considered to be stable in consideration of the competitiveness of the subject real estate, past results, market trends, etc.
(2) Operating Expensed	998,285	
Maintenance Expenses	263,734	Assessed in reference to contract details, past results and levels for similar real estate, etc.
Utility Expenses	268,058	Assessed in reference to past results, budget, levels for similar real estate, etc.
Repair Expenses	7,000	Assessed in reference to the engineering report, levels for similar real estate, etc.
Property Management Fee	87,877	Assessed in reference to contract details, levels for similar real estate, etc.
Tenant Advertisement Cost	39,324	Assessed based on turnover rate considered to be stable in consideration of the competitiveness of the subject real estate, past results, market trends, etc.
Tax and Public Dues	264,025	Assessed based on the actual tax amount for FY2015, etc.
Casualty Insurance	3,197	Assessed in reference to the estimate amount, levels for similar real estate, etc.
Other Expenses	65,069	Assessed in reference to past results, budget, etc.
(3) Net Operating Income [(1)-(2)]	3,339,680	
(4) Profit from Managing Security Deposit	68,371	Grounds: Not-disclosed *The grounds are not disclosed as the disclosure of them may negatively affect OJR and harm the interests of unitholders.
(5) Capital Expenditure	14,000	Assessed in reference to the engineering report, levels for similar real estate, etc.
(6) Net Revenue [(3)+(4)-(5)]	3,394,051	
(7) Cap Rate	3.7%	Assessed based on the lease format, control of rights, etc. in consideration of the use, location, and building conditions of the subject real estate, real estate market trends, transaction examples, etc.
DCF Method (co-ownership)	21,600,000	
co-ownership interest	25%	
DCF Method (entire building)	86,400,000	
Discount Rate	3.7%	Assessed based on the lease format, control of rights, etc. in consideration of the use, location, and building conditions of the subject real estate, levels and trends for funding procurement costs, etc.
Terminal Cap Rate	3.8%	Assessed based on current capitalization yield at the time of price estimate in consideration of factors such as future uncertainty
Cost Approach (co-ownership)	21,800,000	
co-ownership interest	25%	
Cost Approach (entire building)	87,200,000	
Ratio of Land	85.9%	
Ratio of building	14.1%	

Any special considerations made in the reconciliation of estimated value

Market participants make decisions with a focus on revenue stability, growth potential, liquidity at the time of resale, etc., and revenue prices incorporating this process are highly standardized. Accordingly, the appraisal value has been determined based on the revenue price

(2) KONAMI SPORTS CLUB KORIEN

Name of property	KONAMI SPORTS CLUB KORIEN
Date of Value	September 1, 2015
Appraisal Value (In thousands of yen)	1,690,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.

(In thousands of yen)

Item	Content	Grounds
Capitalization Method	1,690,000	Calculated with the DCF method as a standard and by conducting verification based on the direct capitalization method.
Valuation by the Direct Capitalization Method	1,680,000	
(1) Gross Operating Revenue [(a)-(b)]		
(a) Effective gross revenue		
(b) Vacancy loss		
(2) Operating Expensed		
Maintenance Expenses	Not-disclosed	This information is not disclosed as the disclosure of it may negatively affect OJR and harm the interests of unitholders.
Utility Expenses		
Repair Expenses		
Property Management Fee		
Tenant Advertisement Cost		
Tax and Public Dues		
Casualty Insurance		
Other Expenses		
(3) Net Operating Income [(1)-(2)]	105,420	
(4) Profit from Managing Security Deposit	4,300	Grounds: Not-disclosed *The grounds are not disclosed as the disclosure of them may negatively affect OJR and harm the interests of unitholders.
(5) Capital Expenditure	15,568	Assessed in reference to the engineering report, levels for similar real estate, etc.
(6) Net Revenue [(3)+(4)-(5)]	94,152	
(7) Cap Rate	5.6%	Assessed based on the lease format, control of rights, etc. in consideration of the use, location, and building conditions of the subject real estate, real estate market trends, transaction examples, etc.
DCF Method	1,700,000	
Discount Rate	5.6%	Assessed based on the lease format, control of rights, etc. in consideration of the use, location, and building conditions of the subject real estate, levels and trends for funding procurement costs, etc.
Terminal Cap Rate	5.8%	Assessed based on current capitalization yield at the time of price estimate in consideration of factors such as future uncertainty
Cost Approach	1,680,000	
Ratio of Land	60.7%	
Ratio of building	39.3%	

Any special considerations made in the reconciliation of estimated value

Market participants make decisions with a focus on revenue stability, growth potential, liquidity at the time of resale, etc., and revenue prices incorporating this process are highly standardized. Accordingly, the appraisal value has been determined based on the revenue price

Reference Materials

- **Portfolio summary after acquisition of the properties to be acquired**

Notes:

1. This is the English translation of original Japanese documents and is provided solely for information purposes. If there are any discrepancies between the translation and the Japanese original, the latter shall prevail.
2. The original Japanese version of this announcement is being distributed today to the Kabuto Club, the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Construction Specialty Publication Press Club.

• Portfolio summary after acquisition of the properties to be acquired

*Properties to be acquired

		Property	Acquisition		% of (Note 2) Total Acquisition Price
			Date	Price (million yen) (Note 1)	
Offices	6 Central Tokyo Wards	Aoyama Suncrest Building	December 1, 2001	3,356	0.6
		Round-Cross Ichi-bancho	December 1, 2001	3,526	0.6
		Round-Cross Nishi Shinjuku	December 1, 2001	2,650	0.5
		DT Gaien	December 21, 2001	2,430	0.4
		Nihonbashi East Building	December 21, 2001	1,720	0.3
		Yoyogi Forest Building	December 21, 2001	1,406	0.3
		Round-Cross Minami Azabu	December 21, 2001	1,394	0.3
		Round-Cross Akasaka	January 10, 2002	2,624	0.5
		Round-Cross Mita	January 10, 2002	1,748	0.3
		Shiba Daimon Building	January 10, 2002	2,195	0.4
		Round-Cross Tsukiji	January 10, 2002	3,378	0.6
		ORIX Shiba 2-chome Building	September 29, 2003	7,500	1.4
		Aoyama 246 Building	March 3, 2004	5,200	0.9
		Round-Cross Shinjuku	April 28, 2006	8,020	1.5
		Seafort Square Center Building	September 30, 2005	18,000	3.3
			April 28, 2006		
		ORIX Akasaka 2-chome Building	June 26, 2006	21,860	4.0
			December 4, 2006		
		Round-Cross Shinjuku 5-chome	April 26, 2007	4,500	0.8
		Nihonbashi Honcho 1-chome Building	March 28, 2007	10,500	1.9
		Round-Cross Shibuya	March 28, 2008	3,500	0.6
		ORIX Suidobashi Building	March 28, 2008	3,000	0.5
		ORIX Shinagawa Building	June 27, 2008	15,200	2.8
		ORIX Real Estate Nishi Shinjuku Building	March 27, 2009	13,600	2.5
		OX Tamachi Building	March 29, 2010	6,730	1.2
		MG Shirokanedai Building	November 1, 2013	8,500	1.5
		SHIBUYA PINE Bldg.	March 20, 2014	3,400	0.6
		MG Ichigaya Building	April 4, 2014	3,100	0.6
		DUPLEX GINZA TOWER 2/11	September 30, 2015	5,200	0.9
		* ARK Hills South Tower	October 15, 2015	22,000	4.0
		Subtotal		186,238	33.7
	Remaining Tokyo Wards	Carrot Tower	December 1, 2001	5,479	1.0
		Toyo MK Building	December 1, 2001	5,270	1.0
		Beside Kiba	December 21, 2001	2,450	0.4
		ORIX Ikebukuro Building	April 18, 2003	9,577	1.7
		KN Jiyugaoka Plaza	May 30, 2007	3,110	0.6
		ORIX Meguro Building	July 29, 2010	6,350	1.1
		Akihabara Business Center	June 1, 2011	5,060	0.9
		Subtotal		37,296	6.8
	Other Parts of the Greater Tokyo Area	Neo City Mitaka	December 1, 2001	2,200	0.4
		Round-Cross Kawasaki	April 27, 2004	4,130	0.7
		Omiya Miyacho Building	March 27, 2009	4,400	0.8
		Omiya Shimochō 1-chome Building	March 29, 2010	3,750	0.7
		ORE Omiya Building	April 15, 2015	7,030	1.3
		Subtotal		21,510	3.9
	Other Areas	Nagoya Itochu Building	September 29, 2003	4,500	0.8
		ORIX Koraibashi Building	April 27, 2005	5,560	1.0
		Lunar Sendai	June 28, 2007	8,500	1.5
		ORIX Nagoya Nishiki Building	September 29, 2010	12,500	2.3
		ORE Sapporo Building	October 1, 2010	4,250	0.8
		ORIX Kobe Sannomiya Building	September 29, 2011	3,800	0.7
		ORE Nishiki 2-chome Bldg.	October 1, 2014	10,900	2.0
		DOJIMA PLAZA BLDG.	December 22, 2014	9,500	1.7
		PRIME SQUARE HIROSE-DORI	April 1, 2015	7,280	1.3
		Subtotal		66,790	12.1
		Offices Total		311,834	56.5
Logistics Facilities	Other Parts of the Greater Tokyo Area	Toda Logistics Center	March 28, 2008	9,600	1.7
		Ichikawa Logistics Center	September 29, 2008	8,300	1.5
		Iwatsuki Logistics Center	October 1, 2014	6,300	1.1
		Subtotal		24,200	4.4
	Other Areas	Sakai Logistics Center North Building	March 30, 2010	10,200	1.8
		Komaki Logistics Center	June 30, 2011	2,700	0.5
		Subtotal		12,900	2.3
		Logistics Facilities Total		37,100	6.7

		Property	Acquisition		% of ^(Note 2)
			Date	Price (million yen) ^(Note 1)	Total Acquisition Price
Retail Facilities	6 Central Tokyo Wards	Nihon Jisho Minami Aoyama Building	October 31, 2003	2,548	0.5
		CUBE Daikanyama	March 31, 2004	2,435	0.4
		aune Yurakucho	April 1, 2013	9,900	1.8
		Cross Avenue Harajuku	November 1, 2013	4,815	0.9
		J-ONE SQUARE	January 31, 2014	1,510	0.3
		JouLe SHIBUYA	April 1, 2014	7,550	1.4
		SO-CAL LINK OMOTESANDO	October 1, 2014	2,300	0.4
		Subtotal		31,058	5.6
	Remaining Tokyo Wards	ORE Ikebukuro	September 30, 2014	6,410	1.2
		Subtotal		6,410	1.2
	Other Parts of the Greater Tokyo Area	aune Kohoku	March 10, 2010	4,000	0.7
		aune Makuhari	March 10, 2010	3,600	0.7
		Maruetsu Sagamino	March 1, 2011	2,350	0.4
		CROSS GARDEN KAWASAKI	March 29, 2013	12,950	2.3
		Tecc Land Totsuka (Land)	April 1, 2013	6,020	1.1
		Clio Fujisawaekimae	December 20, 2013	3,900	0.7
		Subtotal		32,820	5.9
		Other Areas	Kobe Momoyamadai Shopping Center (Land)	March 5, 2010	3,260
	Okayama Kume Retail Facility		January 31, 2011	2,750	0.5
	Home Center Musashi Sendai Izumi (Land)		January 11, 2012	2,350	0.4
	aune Sapporo Ekimae		June 29, 2012	1,900	0.3
	Morioka Minami Shopping Center Sansa		July 31, 2012	2,800	0.5
	The Kitahama PLAZA (Co-Ownership:80%)		April 1, 2013	3,900	0.7
	The Kitahama PLAZA (Co-Ownership:20%)		March 20, 2014	975	0.2
	GRAN MART Tegata		November 1, 2013	980	0.2
	AEON TOWN Sendai-Izumiosawa(Land)		November 1, 2013	3,510	0.6
	Cross Mall Shimonoseki-Chofu		January 10, 2014	2,400	0.4
	intervillage OH! MAGARI		April 1, 2014	5,100	0.9
	Valor Suzuka Shopping Center		April 1, 2014	3,200	0.6
	aune Sendai		June 20, 2014	2,000	0.4
	Friend Town Fukaebashi (Land)		September 30, 2014	2,400	0.4
	* KONAMI SPORTS CLUB KORJEN		October 30, 2015	1,600	0.3
	Subtotal			39,125	7.1
	Retail Facilities Total			109,413	19.8
Residential Properties	6 Central Tokyo Wards		Park Axis Nishi Azabu Stage	December 1, 2001	1,219
		We Will Hatchobori	June 1, 2011	2,370	0.4
		Shibaura Island Air Tower	July 28, 2011	6,030	1.1
		Belle Face Togoshi Statio	May 9, 2012	2,642	0.5
		Belle Face Meguro	October 19, 2012	3,330	0.6
		Central Crib Roppongi	April 1, 2015	7,493	1.4
		Subtotal		23,084	4.2
	Remaining Tokyo Wards	Belle Face Kamata	June 1, 2011	3,550	0.6
		Belle Face Hongo Yumicho	June 1, 2011	3,340	0.6
		Belle Face Mishuku	March 30, 2012	2,000	0.4
		West Park Tower Ikebukuro	April 1, 2014	20,500	3.7
		Belle Face Higashijujo	April 4, 2014	3,000	0.5
	Subtotal		32,390	5.9	
	Other Parts of the Greater Tokyo Area	R-Styles Musashi-Kosugi	October 1, 2014	4,433	0.8
		Subtotal		4,433	0.8
	Other Areas	Belle Face Osaka Shinmachi	June 1, 2011	3,684	0.7
		Belle Face Amagasaki	June 1, 2011	3,440	0.6
		Belle Face Kanazawa Kohrinbo	November 1, 2013	2,410	0.4
Subtotal			9,534	1.7	
Residential Total			69,441	12.6	
Others	Other Parts of the Greater Tokyo Area	Cross Gate	January 10, 2002	15,040	2.7
		GOOD TIME LIVING Shin-urayasu	September 6, 2012	1,550	0.3
		Subtotal		16,590	3.0
	Other Areas	VIA INN SHINSAIBASHI BLDG.	September 30, 2015	3,100	0.6
		HOTEL KEIHAN SAPPORO	September 30, 2015	2,550	0.5
		Richmond Hotel Yamagata Ekimae	September 30, 2015	2,300	0.4
		Subtotal		7,950	1.4
	Others Total			24,540	4.4
Grand Total		102 properties		552,328	100.0

Notes:

1. "Acquisition price" above refers to acquisition price (fractions rounded down) specified in the purchase and sale agreement. Consumption taxes are not included in the price.
2. Fractions are rounded to two decimal places for the "Percentage of total acquisition price". Totals for the "Percentage of total acquisition price" may not tally as a result of this rounding.
3. The preferred equity securities of Hiratsuka Holding Tokutei Mokuteki Kaisha are not included above as it is planned to be cancelled after the acquisition of the property to be acquired "ARK Hills South Tower."