

For Immediate Release

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**ORIX JREIT Announces Issue of New Investment
 Units and Secondary Offering of Units**

TOKYO, October 15, 2013 — ORIX JREIT (“OJR”) announces that the meeting of the Board of Directors held on October 15, 2013 adopted a resolution concerning the issue of new investment units and the secondary offering of investment units, as set forth below.

1. Issue of New Investment Units through Public Offering (Public Offering)

- | | |
|-------------------------------------|--|
| (1) Total number of units offered | 91,788 units |
| (2) Amount to be paid (Issue value) | To be determined
The issue value will be determined at a meeting of the Board of Directors to be held on any day during the period between Wednesday, October 23, 2013 and Tuesday, October 29, 2013 (the “Pricing Date”) in accordance with the method provided for in Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the Japan Securities Dealers Association (JSDA). |
| (3) Offering method | All units shall be offered through public offering, and shall be underwritten and purchased by Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., UBS Securities Japan Co., Ltd., and SMBC Nikko Securities Inc. (the “Joint Managing Underwriters”); as well as Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Merrill Lynch Japan Securities Co., Ltd., Tokai Tokyo Securities Co., Ltd., and TOYO SECURITIES Co., Ltd. (collectively the “Underwriters,” including the Joint Managing Underwriters). Moreover, Joint Book Runners shall be Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., and UBS Securities Japan Co., Ltd. The issue price (offer price) for the public offering shall be determined on the Pricing Date using the method provided for in Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the JSDA, based on a provisional pricing range calculated by multiplying the closing price at the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted on such date, the closing price on the immediately preceding date) by 0.90 to 1.00 (with any fraction of less than one yen to be rounded down to the nearest one yen), as well as by considering the demand for new units and other related factors. |

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- (4) Underwriters' fees OJR shall not pay underwriting fees to the Underwriters. Instead, the total amount of the difference between the issue price (offer price) in the public offering and the issue value (the total amount that the Underwriters shall pay to OJR) shall constitute proceeds to the underwriters.
- (5) Application unit Minimum one unit, and in multiples of one unit
- (6) Application period Beginning on the business day immediately following the Pricing Date, and ending on the second business day immediately following the Pricing Date.
- (7) Payment date The fifth business day immediately following the Pricing Date, as long as this date falls on a day between Wednesday, October 30, 2013 and Wednesday, November 6, 2013.
- (8) The amount to be paid (issue value) and other important matters concerning the issue of new investment units shall be determined at the meeting of the Board of Directors to be held hereafter.
- (9) Each of the provisions above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary Offering of Investment Units through Over-Allotment (See Reference 1. below)

- (1) Seller and number of units to be offered Daiwa Securities Co. Ltd. 4,589units
The above number represents the maximum number of units to be sold. Depending on the actual demand, either the number may be reduced, or the Secondary Offering through Over-Allotment may be cancelled entirely. The number of units to be sold shall be determined at the meeting of the Board of Directors to be held on the Pricing Date after considering the demand for investment units.
- (2) Offer price To be determined
(The offer price shall be determined on the Pricing Date, and shall be the same as the issue price for the public offering.)
- (3) Offering method Daiwa Securities Co. Ltd., shall, in consideration of the demand and other conditions of the public offering, conduct a secondary offering of up to 4,589 units that it will borrow from the unit holders of OJR.
- (4) Application unit Minimum one unit, and in multiples of one unit
- (5) Application period Same as the application period for the public offering
- (6) Delivery and Settlement date The business day immediately following the payment date for the public offering
- (7) The offer price and other important matters concerning the issue of new investment units shall be determined at the meeting of the Board of Directors to be held hereafter.
- (8) Each of the provisions above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issue of New Investment Units through Third-Party Allotment (See Reference 1. below)

- (1) Total number of units offered 4,589 units
- (2) Amount to be paid (Issue value) To be determined
The amount to be paid (issue value) will be determined at the meeting of the board of directors to be held on the Pricing Date. The amount to be paid (issue value) shall be the same as that in the public offering.
- (3) Allottee and number of units allotted Daiwa Securities Co. Ltd. 4,589 units
- (4) Application unit Minimum one unit, and in multiples of one unit
- (5) Application period (application date) Tuesday, November 26, 2013
- (6) Payment date Wednesday, November 27, 2013

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- (7) If some or all of the investment units are not applied for by the end of the application period (application date) as set forth in (5) above, the issuance of those units not applied for shall be cancelled.
- (8) The amount to be paid (issue value) and other important matters concerning the issue of new investment units shall be determined at the meeting of the Board of Directors to be held hereafter.
- (9) Each of the provisions above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

<Reference>

1. Secondary Offering through Over-Allotment etc.

In consideration of the demand and other conditions with regard to the public offering, Daiwa Securities Co. Ltd., may conduct a Secondary Offering through Over-Allotment of up to 4,589 units, which Daiwa Securities will borrow from OJR's unit holders (the "Borrowed Investment Units"). Consequently, the above "number of units to be sold" in the Secondary Offering through Over-Allotment represents the maximum number, and the actual number of issues sold may be less than indicated above or the Secondary Offering through Over-Allotment itself may be cancelled entirely, depending on the demand and other conditions.

In connection with the Secondary Offering through Over-Allotment, OJR's board of directors meeting held on Tuesday, October 15, 2013 adopted a resolution concerning the issue of 4,589 new investment units by way of Third Party Allotment to Daiwa Securities (the "Third Party Allotment"), with the payment date set to be Wednesday, November 27, 2013. This will be made separately from the public offering.

It is possible that, during the application period for the public offering and the Secondary Offering through Over-Allotment (the "Application Period"), Daiwa Securities will conduct stabilizing transactions involving OJR's investment units, and use the investment units purchased through such stabilizing transactions to return the Borrowed Investment Units.

Furthermore, during the period beginning on the day immediately following the last day of the Application Period and ending on Friday, November 22, 2013 (the "Syndicate Covering Transaction Period"), Daiwa Securities may purchase investment units on the Tokyo Stock Exchange up to the number of units offered in the Secondary Offering through Over-Allotment (the "Syndicate Covering Transactions"). All investment units that Daiwa Securities may purchase through Syndicate Covering Transactions shall be applied to the return of the Borrowed Investment Units. It is also possible that during the Syndicate Covering Transaction Period, Daiwa Securities will, at its discretion, not conduct Syndicate Covering Transactions at all or end the Syndicate Covering Transactions with the actual number of units transacted less than the number of units offered in the Secondary Offering through Over-Allotment.

Daiwa Securities intends to accept the Third-Party Allotment of the number of investment units obtained by deducting: (a) the number of units purchased through stabilization transactions and Syndicate Cover Transactions to return the Borrowed Investment Units; from (b) the number of investment units offered in the Secondary Offering through Over-Allotment.

For this reason, if the investment units issued through the Third-Party Allotment are not subscribed in whole or in part, the number of the investment units with respect to the Third-Party Allotment may be reduced by the number of units not subscribed, or the issuance itself may be cancelled entirely.

It will be determined on the Pricing Date whether to make a Secondary Offering through Over-Allotment or, in the affirmative case, how many investment units will be offered. If a Secondary Offering through Over-Allotment is not made at all, Daiwa Securities will not borrow OJR investment units from OJR unit holders. In this case, Daiwa Securities will not accept the Third-Party Allotment and will make no such application, so there will be no issue of new investment units through a Third-Party Allotment. Daiwa Securities Capital Markets will not conduct Syndicate Cover Transactions on the Tokyo Stock Exchange, either.

The transactions set forth above shall be conducted by Daiwa Securities after consultation with Nomura Securities Co., Ltd., and UBS Securities Japan Co., Ltd.

2. Change in Number of Investment Units Outstanding after the Issue of New Investment Units

Number of units outstanding	1,591,117 units
Number of new units issued by public offering	91,788 units
Number of units issued and outstanding after public offering	1,682,905 units
Number of new units issued by third party allocation	4,589 units ^(Note)

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Number of units issued and outstanding after third party allocation

1,687,494 units ^(Note)

Note:

The above figures are calculated on the assumption that the investment units in the Third-Party Allotment are subscribed and issued in full by Daiwa Securities Co. Ltd.

3. Purpose and Rationale of the Issue

After consideration of market trends, the level of distributions per unit and NAV per unit, etc., OJR has decided to issue new investment units by raising funds with the aim of improving the portfolio's profitability and stability through the acquisition of new specified assets.

4. Net Amount and Use of Proceeds, and Scheduled Timing of Expenditures

(1) Amount of funds to be procured (estimated net proceeds)

Maximum of 10,587 million yen

Note:

The above figure represents the total of 10,082.9 million yen in proceeds from the public offering, and the maximum of 504.1million yen in proceeds from the issue of new investment units through a Third-Party Allotment. The above figures are estimated amounts calculated based on the closing price of OJR's investment units quoted at the Tokyo Stock Exchange on Monday, October 7, 2013.

(2) Specific Use of Proceeds and Scheduled Timing of Expenditures

OJR will allocate the full amount of the proceeds from the public offering (10,082.9 million yen), as a part of the funds to acquire the assets set forth in the press release "ORIX JREIT Announces Asset Acquisition ("MG Shirokanedai Building, Cross Avenue Harajuku, AEON TOWN Sendai-Izumiosawa (Land), GRAN MART Tegata and Kanazawa Kohrinbo myatria")" announced on October 15, 2013. OJR plans to allocate the full amount of the maximum proceeds from the issue of new investment units through Third-Party Allotment (504.1 million yen) to a part of the funds to acquire specified assets in the future or the repayment of borrowings.

Note:

The full amount of the proceeds from the public offering and the third-party allotment is deposited to a bank until the expenditures.

5. Designated Purchasers

None.

6. Future Outlook

OJR's forecasted earnings hereafter are set forth in the press release "Forecasts for the 24th and 25th Fiscal Periods" of "ORIX JREIT Announces Financial Results for 23rd Fiscal Period" published on October 15, 2013.

7. Operating Results and Equity Financing for the Most Recent Three Periods.

(1) Operating Results for the Most Recent Three Periods

(yen)

	21 st period (Aug. 2012)	22 nd period (Feb. 2013)	23 rd period (Aug. 2013) ^(Note 3)
Net income per unit ^(Note 1)	2,331	2,353	2,450
Distribution per unit	11,656	11,764	2,411
Payout ratio	100.0%	100.0%	98.4%
Net asset per unit ^(Note 2)	108,482	108,503	109,887

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Notes:

1. Net income per unit is calculated by dividing net income by the weighted daily average number of units issued and outstanding during the fiscal period. Note that OJR implemented a 5-for-1 unit split of its units, effective March 1, 2013. Moreover, net income per unit for the 21st fiscal period ended August 2012 and the 22nd fiscal period ended February 2013 have been calculated based on the assumption that the unit split was implemented at the beginning of the respective periods.
2. Effective March 1, 2013, OJR implemented a 5-for-1 unit split of its units. Net assets per unit for the 21st fiscal period ended August 2012 and the 22nd fiscal period ended February 2013 have been calculated based on the assumption that the unit split was implemented at the beginning of the respective periods.
3. As of today, figures for the fiscal period ended August 2013 have not been audited by an independent auditor based on the provisions of Article 193-2 Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

(2) Recent Investment Unit Prices

(a) The Most Recent Three Periods (yen)

	21 st period (Aug. 2012)	22 nd period (Feb. 2013) ^(Note)	23 rd period (Aug. 2013)
Opening	380,000	359,000	109,100
High	394,500	540,000 *109,100	139,700
Low	322,000	350,000 *100,000	96,600
Closing	358,000	109,100	104,100

Note:

OJR implemented a 5-for-1 split of investment units as of March 1, 2013. The figures marked with “*” asterisks represent OJR’s investment unit prices on the Tokyo Stock Exchange Inc. after the ex-rights due to the unit split.

(b) The Most Recent Six Months (yen)

	May 2013	June	July	August	September	October (Note)
Opening	130,200	109,000	114,000	109,500	104,600	122,400
High	132,500	113,500	118,200	117,000	126,200	124,500
Low	107,400	96,600	109,000	100,800	104,200	115,500
Closing	110,000	113,500	109,500	104,100	124,900	123,800

Note:

The above investment unit prices are written from October 1, 2013 to October 11, 2013.

(c) Investment Unit Price on the Business Day Immediately Preceding the Date of Resolution of the Issuance (yen)

	October 11, 2013
Opening	122,000
High	124,500
Low	122,000
Closing	123,800

(3) Situation on Equity Financing for the Most Recent Three Periods

•Public Offering

Issue date	March 26, 2013
Amount obtained through funding	19,089,185,535 yen
Issue value	118,629 yen
Number of investment units issued and outstanding before the offering	1,422,170 units

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Number of investment units issued in the offering	160,915 units
Number of investment units issued and outstanding after the offering	1,583,085 units
Intended use of proceeds at the time of the issue	All the proceeds would be allocated to funds for acquiring specified assets to be acquired
Scheduled timing of expenditures at the time of the issue	March 29, 2013 and April 1, 2013
Current status	All the proceeds were used on the above scheduled timing of expenditures

•Third-Party Allotment

Issue date	April 24, 2013
Amount obtained through the issue	952,828,128 yen
Issue value	118,629 yen
Number of investment units issued and outstanding before the offering	1,583,085 units
Number of investment units issued in the offering	8,032 units
Number of investment units issued and outstanding after the offering	1,591,117 units
Allottee	Daiwa Securities Co. Ltd.
Intended use of proceeds at the time of the issue	All the proceeds would be allocated to funds for repayment of borrowings
Scheduled timing of expenditures at the time of the issue	April 26, 2013
Current status	All the proceeds were used on the above scheduled timing of expenditures

8. Other (Restriction on Sale and Additional Issue)

With regard to the public offering, OJR agrees with the Joint Managing Underwriters not to issue investment units (excluding the Third-Party Allotment) for a period of 90 calendar days after the delivery date of the public offering.

- Note:
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 was 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.

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