

For Immediate Release

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ORIX JREIT Announced Revision of Earnings & Distributions Forecasts for the 23rd Fiscal Period (Ending August 31, 2013) and Earnings & Distributions Forecasts for the 24th Fiscal Period (Ending February 28, 2014)

TOKYO, March 8, 2013 — ORIX JREIT Inc. (“OJR”) announced the following revisions to its earnings forecasts for the 23rd fiscal period from March 1, 2013 through August 31, 2013 announced in the Company’s financial results summary dated October 12, 2012 and its distributions forecast (revision) dated January 17, 2013.

Additionally, we hereby announce the earnings & distributions forecasts for the 24th fiscal period from September 1, 2013 through February 28, 2014.

Furthermore, there are no changes to the earnings & distributions forecasts for the 22nd fiscal period from September 1, 2012 through February 28, 2013.

1. Revised Earnings & Distribution Forecast for the 23rd Fiscal Period from March 1, 2013 through August 31, 2013

	Operating revenue (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Previous forecast (A)	11,963	3,071	2,160	0
Revised forecast (B)	13,147	3,627	2,280	0
Change (B – A)	1,184	556	120	—
Percentage change	9.9%	18.1%	5.6%	—

Note:

- Forecast number of investment units issued at the end of the fiscal period is 1,591,130 units (1,422,170 units in the previous announcement).
- Operating revenue and net income are rounded down to the nearest million yen. Percentage change is rounded to the nearest first decimal place.

Disclaimer: This document is a press release intended for the general public regarding the revision of earnings & distributions forecasts for the 23rd fiscal period and earnings & distributions forecasts for the 24th fiscal period. It has not been prepared for the purpose of soliciting investment. When investing, investors should do so based on their own judgment after being sure to read “prospectus on the issue of new investment units and the secondary offering of investment units through over-allotment” that OJR will prepare as well as any amendments (if any). 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. Earnings & Distribution Forecast for the 24th Fiscal Period from September 1, 2013 through February 28, 2014

	Operating revenue (million yen)	Net income (million yen)	Distribution per unit (excluding distribution in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Forecast	12,965	3,691	2,320	0

Note:

- Forecast number of investment units issued at the end of the fiscal period is 1,591,130 units.
- Operating revenue and net income are rounded down to the nearest million yen.

3. Reason for Revision

OJR has revised its distribution forecast for the 23rd fiscal period (ending August 2013) upward as shown in the table above as it anticipates an increase by more than 5% from that announced in the financial results summary released on January 17, 2013 mainly due to the following factors and revised its earnings forecast along with this.

Furthermore, there are no changes to the earnings & distributions forecasts for the 22nd fiscal period from September 1, 2012 through February 28, 2013.

- Issue of new investment units and secondary offering of units based on the resolution at the board of directors' meeting held on March 8, 2013
- Acquisition of four assets (ORE Yurakucho, The Kitahama PLAZA, CROSS GARDEN KAWASAKI and Tecc Land Totsuka (land)) based on the resolution at the board of directors' meeting held on March 8, 2013
- Transfer of one asset (Shibaura Island Bloom Tower) based on the resolution at the board of directors' meeting held on March 8, 2013
- Partial early repayment of Term loan 18 and refinancing based on the resolution at the board of directors' meeting held on March 8, 2013

Notes:

- For details of the issue of new investment units and secondary offering of units, please refer to the press release "ORIX JREIT Announces Issue of New Investment Units and Secondary Offering of Units" announced today.
- For details of the acquisition of assets, please refer to the press release "ORIX JREIT Announces Asset Acquisition ("ORE Yurakucho, The Kitahama PLAZA, CROSS GARDEN KAWASAKI and Tecc Land Totsuka (land)")" announced today.
- For details of the asset transfer, please refer to the press release "ORIX JREIT Announces an Asset Transfer ("Shibaura Island Bloom Tower")" announced today.
- For details of the early repayment of Term loan 18 and refinancing, please refer to the press release "ORIX JREIT Announces New Debt Financing (Partial Early Repayment and Refinancing)" announced today.

Disclaimer:

The revision of the earnings & distributions forecasts for the 23rd fiscal period (ending August 2013) and the earnings & distributions forecasts for the 24th fiscal period (ending February 2014) are calculated based on certain assumptions shown in the attached reference material.

Accordingly, these forecasts provide no guarantees of actual operating revenue, net income and distribution per unit, which may differ due to future additional acquisition or transfer of properties, changes in the management environment, etc.

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Appendix for reference:

Assumptions for Earnings Forecasts for the 23rd Fiscal Period (Ending August 31, 2013) and 24th Fiscal Period (Ending February 28, 2014)

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I. Assumptions for Earnings Forecasts for the 23rd Fiscal Period from March 1, 2013 through August 31, 2013 and 24th Fiscal Period from September 1, 2013 through February 28, 2014

Fiscal period	<ul style="list-style-type: none"> • 23rd Fiscal Period from March 1, 2013 through August 31, 2013 • 24th Fiscal Period from September 1, 2013 through February 28, 2014
Properties owned	<ul style="list-style-type: none"> • The earnings forecasts assume a total of 73 properties with the addition of CROSS GARDEN KAWASAKI scheduled to be acquired on March 29, 2013 as well as ORE Yurakucho, The Kitahama PLAZA and Tecc Land Totsuka (land) scheduled to be acquired on April 1, 2013 and the exclusion of Shibaura Island Bloom Tower scheduled to be sold on March 15, 2013 to the 70 properties that OJR owned as of March 8, 2013. The earnings forecasts assume no transfers of operating assets (acquisition of additional properties or sales of existing properties) during the entire period ending February 28, 2014. • It is possible that the number of OJR's properties owned may change as a result of acquisitions or sales.
Number of investment units issued	<ul style="list-style-type: none"> • With the split of investment units resolved at OJR's January 17, 2013 board of directors meeting, the number of investment units issued changed from 284,434 units (as of the end of the fiscal period ended February 2013) to 1,422,170 units (as of March 8, 2013). • With the addition of 168,960 units to be issued (160,915 units to be issued by public offering and 8,045 units to be issued through third party allotment with over-allotment option as resolved at OJR's March 8, 2013 board of directors meeting) to the above number of investment units issued, the earnings forecasts assume a total of 1,591,130 units. • The number of investment units to be issued through third party allotment assumes that all the allowable number of units to be issued (8,045) will be issued.
Interest-bearing debt	<ul style="list-style-type: none"> • As of March 8, 2013, OJR has interest-bearing debt of 175,493 million yen, composed of 155,493 million yen in long-term loans and 20,000 million yen in investment corporation bonds, giving an LTV based on total assets ^(Note 1) of 50.2% and LTV based on unitholders' capital ^(Note 2) of 53.8%. • It is assumed that OJR will refinance the full amount of 25,000 million in long-term loan that will mature during the 23rd period (ending August 2013). Furthermore, there are no investment corporation bonds reaching maturity during the 23rd period. • It is assumed that OJR will refinance the full amounts of 8,000 million yen in long-term loan and 5,000 million yen of investment corporation bonds that will mature during the 24th period (ending February 2014). • It is assumed that the proceeds from the issue of investment units through public offering resolved at OJR's March 8, 2013 board of directors meeting as well as 5,205 million yen of expected proceeds from the sale of Shibaura Island Bloom Tower (excluding one-off funds needed for refinancing and other related expenses) resolved at the same board of directors meeting will be allotted to acquisition funds for the properties scheduled for acquisition, and, if the allotted amount falls short of the amount necessary for the acquisitions, that the shortage will be procured through borrowings. • OJR plans to allocate the full amount of the proceeds from the issue of new

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	<p>investment units through third party allotment with over-allotment option for the repayment of borrowings.</p> <ul style="list-style-type: none"> As resolved at OJR's March 8, 2013 board of directors meeting, OJR plans to make an early repayment of 9,900 million yen on March 21, 2013 for the Term loan 18 (15,000 million yen) which is a long-term loan maturing in the 29th period (ending August 2016) and to refinance the same amount on the same day with a 6-year loan with a fixed interest rate and which is to be repaid in full on the principal repayment date. As a result of the above, the balance of interest-bearing debt at the end of the fiscal period ending August 2013 is forecast to stand at 185,424 million yen, composed of 165,424 million yen in long-term loans and 20,000 million yen in investment corporation bonds. As a result of the issue of new investment units through public offering and Third-Party Allotment as resolved at the March 8, 2013 board of directors meeting, OJR expects the unitholders' capital to increase, resulting in an LTV based on total assets of 49.2% and an LTV based on unitholders' equity of 52.4%. However, the above balance of interest-bearing debt and LTVs may vary depending on the issue price of offered investment units. <p>(Note 1) LTV based on total assets (%) = Interest-bearing debt ÷ Expected total assets × 100 "Expected total assets" is the amount where net increase in interest-bearing debt and unitholders' capital since the end of the preceding fiscal period is added to total assets as of the end of the immediately preceding fiscal period.</p> <p>(Note 2) LTV based on unitholders' capital (%) = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital) × 100</p>
<p>Operating revenue</p>	<ul style="list-style-type: none"> Leasing business income is calculated on the basis of lease agreements valid as of March 8, 2013, taking into account the market environment, the competitiveness of each property and negotiations with tenants. Forecasts assume no arrears or non-payment of rents by tenants. Approximately 390 million yen is expected as gains on the sale of property, i.e. the sale of Shibaura Island Bloom Tower in the 23rd fiscal period (ending August 2013), while no gains are expected in the 24th fiscal period.
<p>Operating expenses</p>	<ul style="list-style-type: none"> In principle, OJR treats the fixed assets and city planning taxes imposed on its real estate payable during a fiscal period as leasing business expenses of that period. On the other hand, these taxes payable in the fiscal year of asset acquisition are not recorded as expenses but added to the acquisition price of the relevant property. Repair and maintenance expenses may vary considerably from the forecast because each fiscal year the amount changes considerably and these expenses do not arise in a regular manner. Property and other taxes are forecasted to stand at 984 million yen in the 23rd fiscal period and 984 million yen in the 24th fiscal period. Property management fees are forecasted to stand at 1,150 million yen in the 23rd fiscal period and 1,164 million yen in the 24th fiscal period. Depreciation expenses are forecasted to stand at 2,818 million yen in the 23rd fiscal period and 2,840 million yen in the 24th fiscal period.

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<p style="text-align: center;">Non-operating expenses</p>	<ul style="list-style-type: none"> • Non-operating expenses (interest expenses on loans and investment corporation bonds, etc.) are forecasted to stand at 1,964 million yen in the 23rd fiscal period and 1,588 million yen in the 24th fiscal period. • The above non-operating expenses include a forecast 61 million yen relating to the issue of new investment units by public offering and secondary offering as resolved at the March 8, 2013 board of directors meeting as well as approximately 255 million yen of one-off expenses^(Note 1) arising from the partial early repayment resolved at the same board of directors meeting in the 23rd fiscal period. <p>(Note) The one-off expenses arising from the early repayment are the sum of the break funding cost and lump-sum depreciation portion from the up-front fee, etc.</p> <p>The break funding cost, when an early repayment of an existing borrowing is being made and furthermore the reinvestment interest rate is smaller than the base rate, refers to the amount calculated by multiplying the principal amount of the early repayment on the early repayment date by the difference between the base rate and reinvestment interest rate prorated (365 days a year) based on the number of actual days in the remaining period.</p> <p>The reinvestment interest rate is the rationally determined rate based on a hypothetical reinvestment of the repayment amount during the remaining period at the Tokyo interbank market and such.</p> <p>The break funding cost, which is a factor that makes up approximately 255 million yen of the one-off expenses arising with the above early repayment, is calculated based on the interest rate of the Tokyo interbank market, etc. as of March 1, 2013 but as the final amount will be determined two business days before the early repayment date the actual number may vary.</p> <p>The lump-sum depreciation portion from the up-front fee, etc. is the fees (up-front fee, etc.) paid to the lender when the borrowing was implemented and refers from that which is depreciated evenly during the borrowing period in the accounting process to the expense of the remaining depreciation in lump-sum when the early repayment is made.</p>
<p style="text-align: center;">Distribution per unit</p>	<ul style="list-style-type: none"> • It is supposed that distributions to be made should be in excess of 90% of the amount available for distribution, but the maximum of the profit amount. • The amount of distribution per unit may vary depending on such factors as changes in leasing income due to changes of tenants, transfers of assets, changes in interest rates and the additional issue of new investment units.
<p style="text-align: center;">Distribution in excess of retained earnings per unit</p>	<ul style="list-style-type: none"> • There is no plan to conduct distribution in excess of profits.
<p style="text-align: center;">Other</p>	<ul style="list-style-type: none"> • It is assumed that there will be no revision to legislation, the tax system, accounting standards, stock market listing regulation and regulations of The Investment Trusts Association, Japan, etc., that will affect the numerical forecasts above. • It is assumed that there will be no major unforeseen changes to ordinary economic trends and real estate market conditions, etc.

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