REIT Issuer:

ORIX JREIT Inc.

Revision of Earnings & Distributions Forecasts for the 23rd Fiscal Period (ending August 31, 2013)
Earnings & Distributions Forecasts for the 24th Fiscal Period (ending February 28, 2014)

March 8, 2013

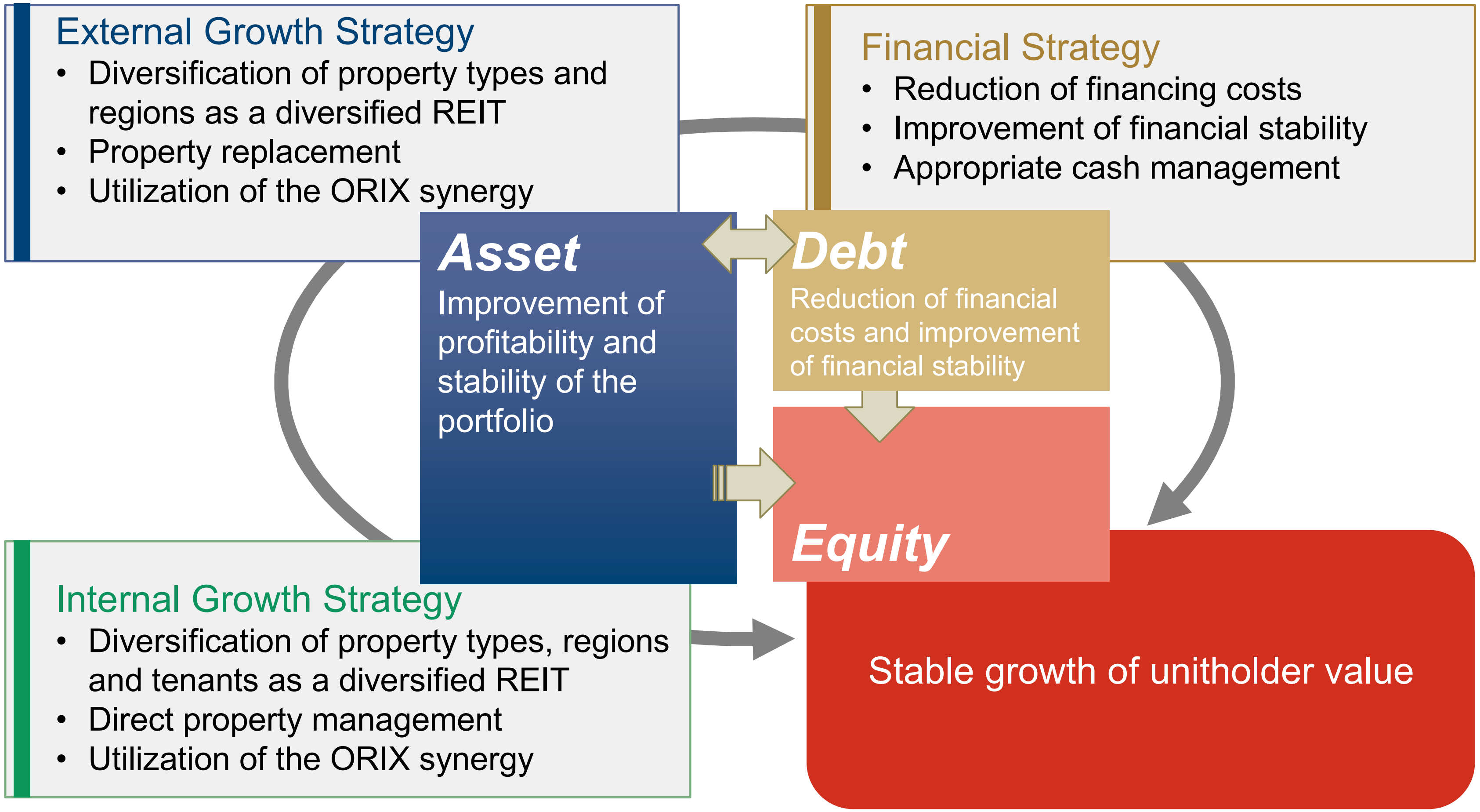
Asset Management Company:

ORIX Asset Management Corporation

(Financial products transaction license, Director of Kanto Local Finance Bureau, Registration No. 315; Member of the Investment Trusts Association)

OJR's Management Philosophy

✓ **Improve profitability and stability of the portfolio, reduce financial costs and increase financial stability, aiming for stable growth of unitholder value**



The Measures

✓ **The distribution forecast will be revised (23rd Fiscal Period; up 120 yen from the previous forecast) and financial stability will be improved (decrease LTV by 1.0%) through the Measures.**

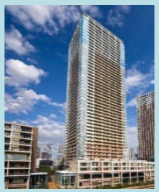
Assets: Improvement of the portfolio's profitability and stability

	Before the Measures	During the Measures		After the Measures
		Acquisition	Sales	
Acquisition price (scheduled) (million yen)	355,874	32,770	5,550	383,094
Number of properties	70	4	1	73
Leasing NOI yield	5.0%	5.1%	6.1%	5.0%
Yield after depreciation	3.6%	4.0%	2.6%	3.6%
Occupancy rate	98.2%	99.8%	96.4%	98.4%
Unrealized gain/loss and gain/loss on sale (million yen)	▲5,259	846	304	▲4,717

<Properties scheduled to be acquired>

ORE Yurakucho | **The Kitahama PLAZA** | CROSS GARDEN KAWASAKI | Tecc Land Totsuka (land)

<Property scheduled to be sold>



Shibaura Island Bloom Tower

Debt: Reduction of financial costs and improvement of financial stability

	Before the Measures	During the Measures		After the Measures
		Refinancing	New borrowing (expected)	
Debt outstanding (million yen)	175,493	9,900	10,056	185,549
Total assets (million yen)	349,422	27,565		376,987
LTV (based on total assets)	50.2%	▲1.0%		49.2%
Average funding cost	1.85%			Aim for further reduction of funding costs

Equity: Revision of distributions forecast

	Before revision of distributions forecast	After revision of distributions forecast
Distribution per unit (Note)	FP22 (ended February 2013) 11,200 yen (2,240 yen)	FP22 (ended February 2013) 11,200 yen (2,240 yen)
	FP23 (ending August 2013) 2,160 yen	FP23 (ending August 2013) 2,280 yen
		FP24 (ending February 2014) 2,320 yen

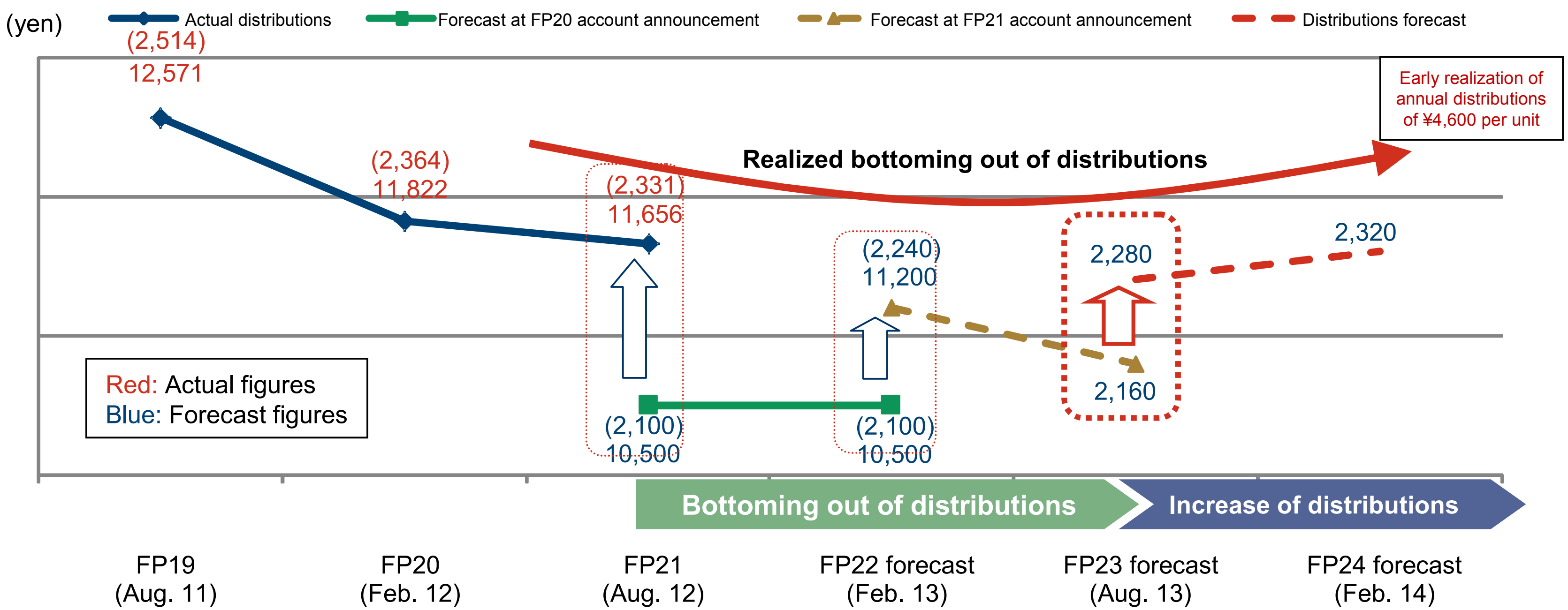
(Note) As of March 1, 2013, OJR implemented a five-for-one split its investment units. Taking this split into account, 1/5 the distribution per unit for the 22nd Fiscal Period (before the split) is shown in parenthesis.

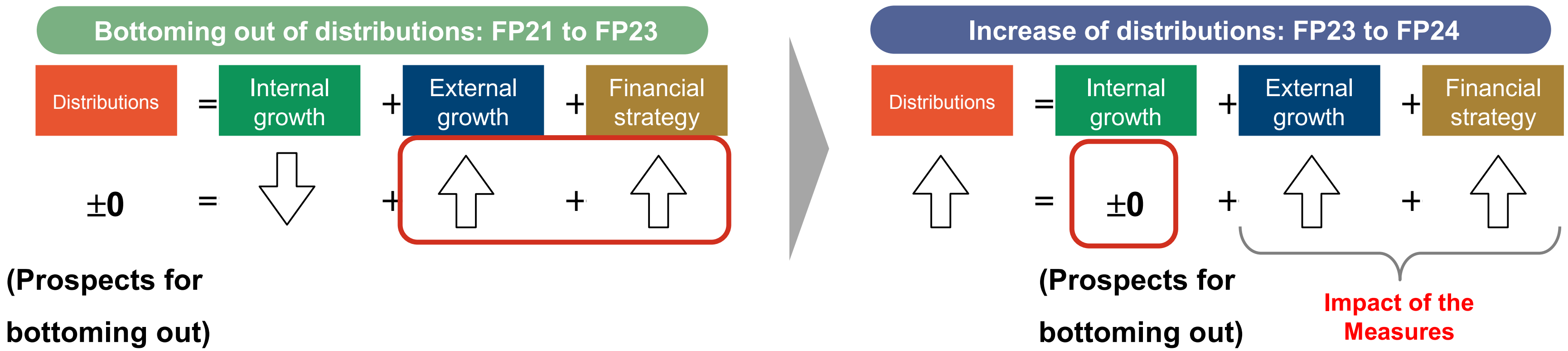
The above figures that concern the future are calculated with a prescribed method based on certain presumptions, expectations and assumptions and therefore the actual figures may vary significantly. Accordingly, OJR does not guarantee these future figures. For details regarding the assumptions, etc. and methods of calculation, please refer to the press releases "ORIX JREIT Announces 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)," "ORIX JREIT Announces Issue of New Investment Units and Secondary Offering of Units," "ORIX JREIT Announces Asset Acquisition ("ORE Yurakucho, The Kitahama PLAZA, CROSS GARDEN KAWASAKI and Tecc Land Totsuka (land)")," "ORIX JREIT Announces an Asset Transfer ("Shibaura Island Bloom Tower")" and "ORIX JREIT Announces New Debt Financing (Partial Early Repayment and Refinancing)" all dated March 8, 2013. 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.

Equity: Change in Distributions per Unit

✓ **Towards the early realization of an annual distribution per unit to the ¥4,600 level**

Equity: Change in Distributions (Note)





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External Growth Strategy and Financial Strategy

✓ **OJR will promote an external growth strategy for improving its profitability and stability of its portfolio and a financial strategy for reducing financial costs and improving financial stability**

Assets: External Growth

Acquisition of 4 retail facilities

OJR plans to acquire retail facilities that are both profitable and stable in light of the present environment of the real estate market.
Aiming for diversification of property types and regions of retail facilities, OJR is promoting an external growth strategy that will lead to increased profitability and stability.

Replacement of properties

Through the sale of 1 residential property with a relatively low yield after depreciation of 2.6% and acquisition of 4 retail facilities with an average yield after depreciation of 4.0%, OJR aims to increase the overall portfolio's profitability.

<Properties scheduled to be acquired>

Name	Property type	Conditions				
		Scheduled acquisition price (million yen)	Appraisal value (million yen)	Appraisal rate	Leasing NOI yield	Yield after depreciation
ORE Yurakucho	Urban-type retail facilities	9,900	10,200	97.1%	4.2%	3.8%
The Kitahama PLAZA	Urban-type retail facilities	3,900	4,026	96.9%	5.7%	3.1%
CROSS GARDEN KAWASAKI	NSC	12,950	13,300	97.4%	5.4%	3.8%
Tecc Land Totsuka (land)	Category killers	6,020	6,090	98.9%	5.5%	5.5%
Total		32,770	33,616	97.5%	5.1%	4.0%

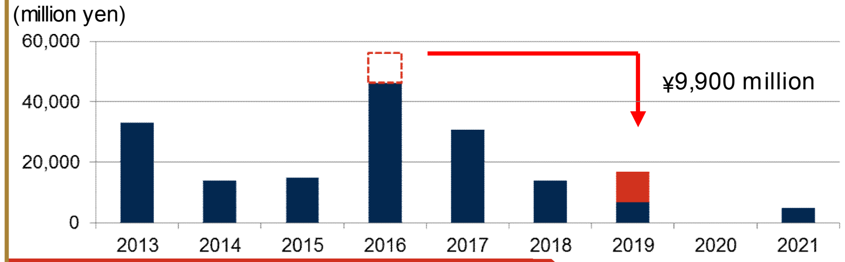
<Property scheduled to be sold>

Name	Conditions			
	Scheduled sale price (million yen)	Book value (million yen)	Leasing NOI yield	Yield after depreciation
Shibaura Island Bloom Tower	5,630	5,303	6.1%	2.6%

Debt: Financial Strategy

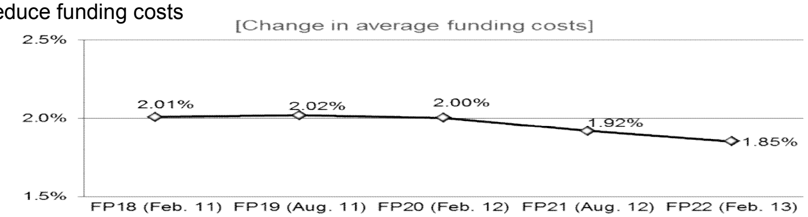
Extension of borrowing periods and diversification of repayment dates

Considering the favorable fund procurement environment, OJR will utilize the sale gains from the property replacements and make an early repayment of borrowings (9,900 million yen) as well as refinancing.
Borrowing periods will be extended and repayment dates diversified with the early repayment. The interest rate of borrowings is expected to decrease from 1.58967% to 1.06552%.



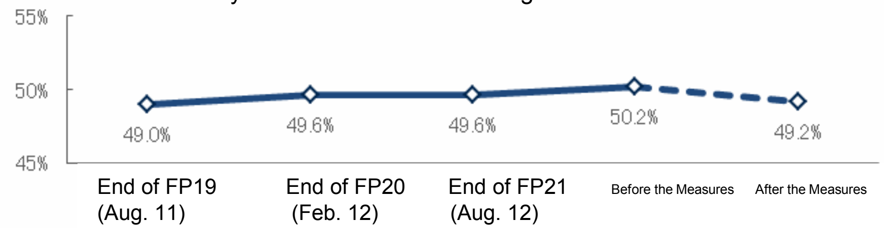
Change in average funding cost

OJR will continue to maintain the balance with the stability of its financial base and aim to reduce funding costs



Change in LTV (based on total assets)

OJR will aim to stably control the interest-bearing debt ratio at around 50%.



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Comparison of New Forecasts with Old Forecasts for the 23rd Fiscal Period

- ✓ **Forecast distributions increased by 120 yen due to projected increase of rental income of the existing portfolio in addition to reduction of funding costs from property acquisitions and refinancing**
- ✓ **Sale gains will be utilized for temporary expenses as well as for future distributions**

[Variance between new and old forecasts for the 23rd Fiscal Period]

	Operating revenue	Net income	Distribution per unit
Forecast as at previous announcement (A)	11,963 million yen	3,071 million yen	2,160 yen
Forecast as at this announcement (B)	13,147 million yen	3,627 million yen	2,280 yen
Change (C) = (B) – (A)	1,184 million yen	556 million yen	120 yen
Fluctuation rate (C) / (A)	9.9%	18.1%	5.6%

[Variance between new and old forecasts for the 23rd Fiscal Period] (unit: million yen)

		Total	Impact of current management activities	Impact of the Measures
	Contribution from properties acquired in FP23	626		626
	Decrease of income from sale of property in FP23	▲61		▲61
	Gain on sale of property sold in FP23	390		390
	External Growth factors total	956	0	956
	Increase of rental income from existing properties	93	93	
③	Increase of repair costs for existing properties	▲93		▲93
	Increase of utilities costs	▲ 29	▲29	
	Other	▲13	▲13	
	Internal growth factors total	▲42	51	▲93
	Increase of funding-related expenses due to property acquisitions	▲59		▲59
①	Decrease of interest expenses due to refinancing	17		17
①	Early repayment expenses	▲255		▲255
②	Expenses for issue of new investment units	▲61		▲61
	Financial strategy factor, etc. total	▲358	0	▲358
	Total	556	51	504
	Impact on distributions per unit	120 yen	36 yen	84 yen

±0

Assets: External Growth

- ✓ 504 million yen increase in income expected due to property acquisitions (excluding gain on sale of residences after deduction of funding-related expenses from property acquisitions)

Assets: Internal Growth

- ✓ 93 million yen increase in revenues expected for the existing portfolio due to the success of measures to prevent tenant departures and such

Debt: Utilization of Gain on Sale of Property and Financial Strategy

- ✓ Gain on sale of the residence will be utilized for (1) extension of debt through early repayments and refinancing, (2) expenses for the issue of new investment units and (3) repairs ahead of schedule in an effort to stabilize distributions in the future. Through this, the impact of approx. 80 million yen of fixed asset/city planning tax of the properties scheduled to be acquired arising in the 25th Fiscal Period onwards will be mitigated.

Equity: Distributions

- ✓ Distributions of 2,280 yen is forecasted for the 23rd Fiscal Period, an increase of 120 yen from the period's initial forecast

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Comparison of Forecasts for the 24th Fiscal Period and New Forecasts for the 23rd Fiscal Period

[Comparison of new forecasts for the 23rd Fiscal Period (ending August 2013) and forecasts for the 24th Fiscal Period (ending February 2014)]

	Operating revenue	Net income	Distribution per unit
FP23 (Aug. 13) forecasts (A)	13,147 million yen	3,627 million yen	2,280 yen
FP24 (Feb. 14) forecasts (B)	12,965 million yen	3,691 million yen	2,320 yen
Change (C) = (B) – (A)	▲182 million yen	64 million yen	40 yen
Fluctuation rate (C) / (A)	▲0.01%	0.02%	0.02%

[Comparison of new forecasts for the 23rd Fiscal Period (ending August 2013) and forecasts for the 24th Fiscal Period (ending February 2014)]

(unit: million yen)

	Total	Results of current management activities	Results of the Measures
Decrease of income from sale of property in FP23	▲3		▲3
Full-period contribution of properties acquired in FP23	125		125
Loss of sales gain	▲388		▲388
External growth factors total	**▲267**	**0**	**▲267**
Increase of rental income from existing properties	▲4	▲4	
Decrease of repair costs for existing properties	28		28
Other	▲6	▲6	
Internal growth factors total	**18**	**▲10**	**28**
Decrease of existing funding-related expenses	53	53	
Of this, factor of operating days	27	27	
Of this, factor of funding cost	26	26	
Elimination of early repayment expenses	255	0	255
Elimination of new units issue-related costs	61		61
Change in asset management fees	▲61	4	▲65
Other	5	15	▲10
Financial strategy factors total	**313**	**71**	**241**
Total	**64**	**61**	**2**
Impact on distributions per unit	**40 yen**	**38 yen**	**1 yen**

Assets: External Growth

✓ In the 24th Fiscal Period, the full-period contribution of rental income from properties to be acquired in the 23rd Fiscal Period will be offset by asset management fees for the properties and therefore the same level of revenues contribution as the 23rd Fiscal Period is expected

Assets: Internal Growth

✓ In the existing portfolio, rental income of existing properties will nearly bottom out due to reduction of the tenant departures rate and such

Debt: Financial Strategy

✓ Distributions are expected to increase 26 million yen or 16 yen per unit due to the reduction of funding costs

Equity: Distributions

✓ Distributions in the 24th Fiscal Period are expected to increase 40 yen from forecasts of the 23rd Fiscal Period to 2,320 yen

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Definitions

- "The Measures" refers collectively to the various measures announced in the press releases "ORIX JREIT Announces Issue of New Investment Units and Secondary Offering of Units," "ORIX JREIT Announces Asset Acquisition ("ORE Yurakucho, The Kitahama PLAZA, CROSS GARDEN KAWASAKI and Tecc Land Totsuka (land)")," "ORIX JREIT Announces an Asset Transfer ("Shibaura Island Bloom Tower")" and "ORIX JREIT Announces New Debt Financing (Partial Early Repayment and Refinancing)" all dated March 8, 2013.
- A "diversified REIT" is a real estate investment corporation that invests in a variety of sectors of real estate, etc., such as offices, logistics facilities, retail facilities and residences. Furthermore, "REIT" refers to an investment corporation that has established that it will invest primarily in real estate and real estate-related assets.
- The "ORIX synergy" refers to the cooperative relationship between OJR, ORIX Corporation and its group companies.
- "Direct property management" is the supplementation of property management operations by OJR's asset management company, ORIX Asset Management Corporation, through leasing activities, adding of value to properties and other means while utilizing the ORIX synergy.
- "Acquisition price (scheduled)" is the sale price (rounded down to the nearest whole number) recorded in the sale agreement, etc. The price does not include consumption tax or other expenses related to acquisition (brokerage fees, taxes and public charges, etc.).
- Calculation of "Leasing NOI (Net Operating Income)" :
  Rental operating income (Rental operating revenue – Rental operating expenses) + Depreciation
- "Leasing NOI yield" is obtained by dividing the "annualized leasing NOI" by the "acquisition price (scheduled)". The figure is rounded to the nearest first decimal place.
  The "annualized leasing NOI" uses either of the following for each property depending on the period it was acquired.
  - Properties acquired during the 21st Fiscal Period (ended August 2012) or earlier (including the property scheduled to be sold): Actual annualized figure for the 21st Fiscal Period (ended August 2012).
  - Properties acquired during the 22nd Fiscal Period (ended February 2013) and the properties scheduled to be newly acquired: The net operating income for the first fiscal year in the discounted cash flow (DCF) method recorded in the appraisal report at the time of acquisition.
- "Yield after depreciation" is obtained by dividing the "annualized income after depreciation" by the "book value". The figure is rounded to the nearest first decimal place.
  "Annualized income after depreciation" uses either of the following for each property depending on the period it was acquired.
  - Properties acquired during the 21st Fiscal Period (ended August 2012) or earlier (including the property scheduled to be sold): Actual annualized figure for the 21st Fiscal Period (ended August 2012).
  - Properties acquired during the 22nd Fiscal Period (ended February 2013) and the properties scheduled to be newly acquired: The net operating income for the first fiscal year in the discounted cash flow (DCF) method recorded in the appraisal report at the time of acquisition less the expected depreciation obtained by OJR. OJR calculates the expected depreciation using the straight-line method depending on the service life of the properties, the same as for OJR's owned assets, taking into consideration information from engineering reports and such.
- "Book value" uses either of the following for each property depending on the period it was acquired.
  - Properties acquired during the 21st Fiscal Period (ended August 2012) or earlier (including the property scheduled to be sold): The book value as of the end of the 21st Fiscal Period (end of August 2012).
  - Properties acquired during the 22nd Fiscal Period (ended February 2013): The acquisition price.
  - The properties scheduled to be acquired: The scheduled acquisition price.
- "Occupancy rate" is obtained by dividing "rented space" by "rentable space". The figure is rounded to the nearest first decimal place. For the occupancy rates of properties owned before the Measures (including the property scheduled to be sold), figures as of December 31, 2012 are used. For the occupancy rates of the properties scheduled to be acquired, figures as of December 31, 2012 provided by the sellers are used.
  "Rented space" and "rentable space" concern either the owned portions and ownership ratio of real estate managed by OJR (including the properties scheduled to be acquired).
  "Rented space" refers to the space included in the rentable space for which lease contracts are actually concluded.
  "Rentable space" refers to the total floor space in OJR's owned portion of each real estate that is practically leasable (including the concerned space when leasing common spaces, etc.).
- "Unrealized gain/loss" uses the difference between "appraisal value" and "book value" and is rounded down to the nearest whole number.
  Also, "unrealized gain/loss" uses either of the following for each property depending on the period it was acquired.
  - Properties acquired during the 21st Fiscal Period (ended August 2012) or earlier (including the property scheduled to be sold): The appraisal value as of the end of the 21st Fiscal Period (end of August 2012).
  - Properties acquired during the 22nd Fiscal Period (ended February 2013) and the properties scheduled to be acquired: The appraisal value obtained at the point when the property acquisitions were decided.
- "Appraisal rate" is obtained by dividing the acquisition price by the appraisal value at the time of acquisition. The figure is rounded to the nearest first decimal place.
- "Scheduled sale price" is the amount recorded in the sale agreement, etc. and does not include consumption tax or other expenses related to acquisition. The figure is rounded down to the nearest whole number.

Definitions

- "Outstanding interest-bearing debt" is rounded down to the nearest whole number.
- "Total assets" is the sum of total debt and net assets. Total assets (expected) before the Measures of 349,422 million yen is the sum of total assets at the end of the 21st Fiscal Period (end of August 2012) of 344,997 million yen and the net increase of interest-bearing debt of 4,425 million yen from the end of the 21st Fiscal Period (end of August 2012) to the point before the Measures.
- "LTV (based on total assets)" is obtained by dividing outstanding interest-bearing debt by total assets. The figure is rounded to the nearest first decimal place.
- "Average funding cost" is the annualization of the figure obtained by dividing "the sum of interest expenses, interest on investment corporation bonds, funding related expenses and depreciation of investment corporation bonds issuance costs," recorded in the profit and loss statements, by the "average outstanding total interest-bearing debt" of the period of concern. The figure is rounded to the nearest second decimal place.
- "New borrowing (expected)" of 10,056 million yen is the proceeds from the public offering and third-party allotment of 17,509 million yen subtracted from funding for the properties scheduled to be acquired of 27,565 million yen. Furthermore, it is assumed in funding for the properties scheduled to be acquired that the expected proceeds from the sale of the property scheduled to be sold (the amount from which the temporary expenses for the refinancing and other related expenses, etc. have been taken out) will be allotted to the acquisition price of the properties scheduled to be acquired and that the amount is that which is necessary for the funding of properties scheduled to be acquired.
- "Total assets (expected) after the Measures of 376,987 million yen" is the sum of total assets (expected) before the Measures of 349,422 million yen and the amount necessary for the funding of properties scheduled to be acquired of 27,565 million yen.
- With regard to "LTV (based on total assets) after the Measures", if the actual issue value of the public offering and third-party allotment is lower than the amount indicated above, then the actual LTV will be higher than that indicated above as the proceeds of the public offering and third-party allotment will be less than the estimated amount indicated above and, depending on the extent, the amount of additional borrowings will increase. Also, if the actual issue value of the public offering and third-party allotment is higher than the amount indicated above, then the actual LTV will be lower than that indicated above as the proceeds of the public offering and third-party allotment will be higher than the estimated amount indicated above and, depending on the extent, the amount of additional borrowings will decrease.
- "Property type" is a classification of retail facilities, which is a management target of OJR, based on the characteristics of the properties. Among retail facilities, "urban-type retail facilities" are retail facilities located near major train stations in the Greater Tokyo Area (defined by OJR as Tokyo, Kanagawa, Saitama and Chiba prefectures) and government ordinance designated cities from which growth of profits can be expected. "NSCs (neighborhood shopping centers)" are shopping centers targeting small trade zones such as nearby communities and which have a drugstore, home center and such as tenants and a supermarket, etc. as the core tenant. "Category killers" are large specialty stores that specialize in a certain area of products with vast product selection and strong price competitiveness.
- The "interest rate of 1.06552% for new borrowings related to refinancing (9,900 million yen)" is obtained based on the base rate as of 11:00 a.m. on March 1, 2013 but as the final rate will be determined two business days before the drawdown date, the actual rate may vary.

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