

For Immediate Release

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Partial Revision of OJR's Rules for Asset Management and Property Management

TOKYO, December 6, 2013 – ORIX Asset Management Corporation, the company contracted by ORIX JREIT Inc. (OJR) to manage its assets, announces a partial revision of OJR's rules for Asset Management and Property Management, hereinafter "Management Rules", is resolved at its Board of Directors meeting held today, as follows;

1. Summary

ORIX JREIT will make a partial revision to its Management Rules regarding the property type and geographical diversification guidelines, from the perspective of improving the profitability and stability of the portfolio and of aiming for the stable growth of unitholders' value. For details of the revision, please refer to "3. Main Details of Revisions."

2. Background of Revisions

The economic environment in Japan surroundings us has been showing steady growth in the domestic demand-based companies from the improved consumer fundamentals due to "Abenomics" fiscal stimulus policy and monetary easing policy, as well as an improvement in foreign demand-based companies from depreciation of the yen. In addition, with the planned "Abenomics" economic growth strategies and expansion of various investment activities and consumption brought by Tokyo's successful bid to host the Olympic Games and such, further economic boost is expected. On the other hand, the downside risks such as the European debt problem, the economic slow-down in China, and U.S. debt ceiling crisis are resulting in continuation of cautious attitudes among the companies for capital investment and business outlook.

Under such business circumstances, the expected cap rate for all property types is on a downward trend because the acquisition is heating up regardless of types in the real estate market due to the anticipated breakaway from deflation. The number of acquisitions of various properties mainly by REITs is increasing, and the liquidity of the Non-Office real estate is on the rise.

In the real estate rental market, though the expectation for office rent turnaround in line with the business performances rally, it is difficult to predict the timing and scale of rising rent. Expectation for rising rent of the urban retail facilities, apartments in central Tokyo, and the hotels is also increasing with the background of improved consumer fundamentals and effect of hosting the Olympic Games.

In such real estate sales and purchase and rental markets as above, the operational abilities for a wide range of property types and regions in terms of both internal and external growth promotion has become highly sought after.

Under such environment perception, ORIX JREIT will promote the following growth strategies grasping the future environment changes to realize the stable growth of unitholders' value.

1. Taking the liquidity and growth into consideration while keeping the investment ratio of offices, OJR will also acquire Non-Office properties with the growth potential and/or with the profitability and stability in order to enhance the stable growth of unitholders' value, by taking an advantage of a diversified property REIT.
2. Proceed carefully the screened investments by utilizing the ORIX Synergy's expertise in various property types and its nationwide networks, OJR will seek higher profitability while managing risks under any investment environment.
3. For any of property types, through our direct PM, taking the features of properties and tenants into consideration, OJR will improve the tenant satisfaction by utilizing the strategic CAPEX and strengthening the tenant relationship, etc., in order to realize the improvement of contract lease conditions.

The result of the property acquisitions, carried out in accordance with such growth strategies, may cause a change in the investment ratio of property types and regions in the portfolio as our guideline. Therefore, ORIX Asset Management Corporation has come to conclude the current revision to Management Rules.

3. Main Details of Revisions

(1) Guideline for Investment Ratio

1. Guideline for Property Type Diversification

The Guideline for investment ratio of the office real estate-related assets will change from "approximately 60% or more" to "approximately 60%±10%" and of the Non-Office real estate-related assets it will change from "approximately 40% or less" to "approximately 40%±10%."

2. Guideline for Geographical Diversification

The Guideline for investment ratio of the real estate-related assets in Greater Tokyo^(Note) will change from "approximately 80% or more" to "approximately 80%±10%" and of the real estate-related assets located in other areas will change from "approximately 20% or more" to "approximately 20%±10%." However, the investment ratio guideline of the office real estate-related assets in Greater Tokyo will be "approximately 80% or more" as our guideline.

Note: "Greater Tokyo" here indicates Tokyo, Kanagawa, Saitama and Chiba Prefectures.

*Underlined sections indicate the revisions.

The following table is extracted from Management Rules.

< Table >

Property type		Area	
		Greater Tokyo	Other areas
Offices	<u>Approx. 60%±10%</u>	<u>Approx. 80%±10%</u>	<u>Approx. 20%±10%</u>
Retail facilities	<u>Approx. 40%±10%</u>		
Residential properties			
Logistics facilities			
Other			

※Investment ratio guideline of the offices in Greater Tokyo is to be "approximately 80% or more."

Reference :

For the details of current revision, please also refer to “ORIX JREIT Future Growth Strategy,” a supplementary material released on the same day.

- 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.