

## For Immediate Release

### REIT Issuer:

ORIX JREIT Inc. (TSE: 8954)

Teruo Ozaki

Executive Director

### Asset Management Company:

ORIX Asset Management Corporation

Yoshitaka Kamemoto

President and CEO

### Inquiries:

Yukio Wada

Executive Officer

TEL: +81 3 5418 4858

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

TOKYO, February 10, 2017 — ORIX JREIT Inc. (“OJR”) announced the Issue of New Investment Units and Secondary offering of Investment Units as set forth below.

### **1. Issue of New Investment Units through Public Offering**

- |  |   |
|--|---|
| (1) Number of investment units to be offered | 147,978 units   |
| (2) Amount to be paid (Issue value)          | <p>To be determined</p> <p>The Amount to be paid (Issue value) shall be determined at a board meeting to be held on any day during the period between Monday, February 20, 2017 and Thursday, February 23, 2017 (hereinafter “Pricing Date”) in accordance with the method provided for Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the Japan Securities Dealers Association (“JSDA”).</p>   |
| (3) Offering method                          | <p>All investment units shall be offered through Public Offering, and shall be underwritten and purchased by Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc. and UBS Securities Japan Co., Ltd. (hereinafter the “Joint Managing Underwriters”); as well as Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Tokai Tokyo Securities Co., Ltd., TOYO SECURITIES CO.,LTD. and Okasan Securities Co., Ltd. (hereinafter collectively the “Underwriters,” including the Joint Managing Underwriters). The Issue price (Offer price) for the Public Offering shall be determined on the Pricing Date using the method provided for Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the JSDA, based on a provisional pricing range calculated by multiplying the amount, whereby 3,120 yen of the forecasted distribution per unit is deducted from 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 investment units and other related factors.</p> |
| (4) Underwriters’ fees                       | <p>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.</p>   |

<p>Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.</p>
---

- (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 Wednesday, March 1, 2017
- (8) The Amount to be paid (Issue value) and other important matters concerning Issue of New Investment Units shall be determined at the board meeting 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 investment units to be offered Daiwa Securities Co. Ltd. 7,399 units  
The above number represents the maximum number of investment units to be sold. Depending on the actual demand and other conditions, either the number may be reduced, or the Secondary Offering through Over-Allotment may be cancelled entirely. The number of investment units to be sold shall be determined at the board meeting to be held on the Pricing Date in consideration of the demand for investment units.
- (2) Offer price To be determined  
The Offer price shall be determined at the board meeting to be held on the Pricing Date, and shall be the same as the Issue price (Offer price) for Public Offering.
- (3) Offering method Daiwa Securities Co. Ltd., shall, in consideration of the demand and other conditions of Public Offering, conduct a secondary offering of up to 7,399 units that will be borrowed from unitholders of OJR.
- (4) Application unit Minimum one unit, and in multiples of one unit
- (5) Application period Same as the Application period for Public Offering
- (6) Delivery and Settlement date The business day immediately following the Payment date for Public Offering
- (7) Offer price and other important matters concerning Secondary Offering of Investment Units shall be determined at the board meeting 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) Number of investment units to be offered 7,399 units
- (2) Amount to be paid (Issue value) To be determined  
The Amount to be paid (Issue value) shall be determined at the board meeting 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 investment units allotted Daiwa Securities Co. Ltd. 7,399 units
- (4) Application unit Minimum one unit, and in multiples of one unit
- (5) Application period (Application date) Monday, March 27, 2017
- (6) Payment date Tuesday, March 28, 2017
- (7) Investment units which are not applied for by the end of the Application period (Application date) as set forth in (5) above shall be cancelled.
- (8) The Amount to be paid (Issue value) and other important matters concerning Issue of New Investment Units shall be determined at the board meeting to be held hereafter.

<p>Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.</p>
---

- (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

In consideration of the demand and other conditions with regard to Public Offering, Daiwa Securities Co. Ltd., may conduct a Secondary Offering through Over-Allotment of up to 7,399 units, which Daiwa Securities Co. Ltd. will borrow from OJR's unitholders (hereinafter "Borrowed Investment Units"). Consequently, the above "number of investment units to be sold" in Secondary Offering through Over-Allotment represents the maximum number, and the actual number of issues sold may be less than indicated above or Secondary Offering through Over-Allotment itself may be cancelled entirely, depending on the demand and other conditions.

In connection with Secondary Offering through Over-Allotment, OJR's board meeting held on Friday, February 10, 2017 resolved the issue of 7,399 new investment units through Third Party Allotment to Daiwa Securities Co. Ltd. (hereinafter "Third Party Allotment"), with the Payment date set to be Tuesday, March 28, 2017. This will be made separately from Public Offering.

It is possible that, during the Application period for the Public Offering and the Secondary Offering through Over-Allotment (hereinafter "Application Period"), Daiwa Securities Co. Ltd. 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 Thursday, March 23, 2017 (hereinafter "Syndicate Covering Transaction Period"), Daiwa Securities Co. Ltd. may purchase OJR's investment units on the Tokyo Stock Exchange up to the maximum number of investment units offered in Secondary Offering through Over-Allotment (hereinafter "Syndicate Covering Transactions"). All investment units that Daiwa Securities Co. Ltd. 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 Co. Ltd. will, at its discretion, not conduct Syndicate Covering Transactions at all or end the Syndicate Covering Transactions with the actual number of investment units transacted less than the number of investment units offered in Secondary Offering through Over-Allotment.

Daiwa Securities Co. Ltd. intends to accept the Third-Party Allotment of the number of investment units obtained by deducting: (a) the number of investment units purchased through stabilization transactions and Syndicate Cover Transactions to return the Borrowed Investment Units; from (b) the number of investment units offered in 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 investment units with respect to the Third-Party Allotment may be reduced by the number of investment 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 Co. Ltd. will not borrow OJR's investment units from OJR's unitholders. In this case, Daiwa Securities Co. Ltd. will not accept the Third-Party Allotment and will make no such application, so there will be no Issue of New Investment Units through Third-Party Allotment. Daiwa Securities Co. Ltd. will not conduct Syndicate Cover Transactions on the Tokyo Stock Exchange, either.

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

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

Number of investment units outstanding	2,524,623 units
Number of new investment units issued by Public Offering	147,978 units
Number of investment units issued and outstanding after Public Offering	2,672,601 units
Number of new investment units issued by Third Party Allotment	7,399 units <sup>(Note)</sup>
Number of investment units issued and outstanding after Third Party Allotment	2,680,000 units <sup>(Note)</sup>

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

<p>Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.</p>
---

### 3. Purpose and Reason of the Issue

OJR is going to allocate the proceeds to all or part of the short-term loans repayment of 21,800 million yen attributable to acquisition of “SUNROUTE PLAZA TOKYO”. It determined Issue of New Investment Units for the following purposes.

- i To secure acquisition capacity for flexible future acquisitions and enhance financial stability by lowering Loan-To-Value (LTV) ratio.
- ii To achieve mid to long-term stable growth of unitholders’ value.

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

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

Maximum of 26,367,400,000 yen

Note: The above figure represents the total Proceed of 25,111,800,000 yen from Public Offering, and the maximum proceeds of 1,255,600,000 yen from Issue of New Investment Units through Third-Party Allotment. The above figures are estimated based on the closing price of OJR’s investment units quoted at the Tokyo Stock Exchange on Friday, February 3, 2017.

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

OJR will allocate proceeds from the Public Offering of 25,111,800,000 yen and the maximum proceeds of 1,255,600,000 yen from the Third-Party Allotment resolved on the same day along with Public Offering to all or part of the funds to repay the short-term loans of 21,800 million yen attributable to acquisition of “SUNROUTE PLAZA TOKYO” released on January 17, 2017. The surplus, if any, will be deposited to OJR’s bank account before being allocated to part of the funds to acquire specific properties or repay borrowings in the future.

### 5. Designated Purchasers

Not applicable.

### 6. Future Outlook

It is described in “ORIX JREIT Announces Revisions of Earnings & Distributions Forecasts for the 30<sup>th</sup> fiscal period ending February 28, 2017 and the 31<sup>st</sup> fiscal period ending August 31, 2017, and Earnings & Distribution Forecasts for the 32<sup>nd</sup> fiscal period ending February 28, 2018” released on February 10, 2017.

### 7. Operating Results and Equity Financing status for the most recent three fiscal periods

#### (1) Operating Results for the most recent three fiscal periods

(Unit: yen)

	The 27 <sup>th</sup> fiscal period ended Aug. 31 2015	The 28 <sup>th</sup> fiscal period ended Feb. 29 2016	The 29 <sup>th</sup> fiscal period ended Aug. 31, 2016
Net income per unit <sup>(Note)</sup>	3,261	3,318	3,141
Distribution per unit	2,929	2,989	3,000
Payout ratio	89.8%	90.0%	95.5%
Net asset per unit	116,180	117,720	119,714

Note: Net income per unit is calculated by dividing Net income by the weighted average of number of daily issued investment units during the fiscal period.

Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.

(2) The most recent Investment Unit Prices

(a) The most recent three fiscal periods

(Unit: yen)

	The 27 <sup>th</sup> fiscal period ended Aug. 31, 2015	The 28 <sup>th</sup> fiscal period ended Feb. 29, 2016	The 29 <sup>th</sup> fiscal period ended Aug. 31, 2016
Opening	174,000	152,800	171,500
High	181,000	179,600	191,500
Low	150,000	141,300	165,700
Closing	153,000	171,500	180,900

(b) The most recent six months

(Unit: yen)

	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017
Opening	180,500	179,800	178,900	171,900	182,500	184,000
High	183,500	180,200	180,400	187,100	185,400	184,600
Low	176,700	170,900	164,700	171,900	178,100	178,500
Closing	177,800	179,700	173,100	184,500	184,700	179,000

Note: Regarding February 2017, Investment Unit Prices until February 9, 2017 are shown in the table above.

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

(Unit: yen)

	February 9, 2017
Opening	179,600
High	181,300
Low	178,700
Closing	179,000

(3) Status on Equity Financing for the most recent three fiscal periods <sup>(Note)</sup>

Note: "Status on Equity Financing for the most recent three fiscal periods" refers to the 28<sup>th</sup> fiscal period ended February 29, 2016, the 29<sup>th</sup> fiscal period ended August 31, 2016 and the 30<sup>th</sup> fiscal period ending February 28, 2017 as the most recent three fiscal periods.

•Public Offering

Issue date	September 1, 2015
Amount of proceeds	12,295,769,724 yen
Issue value	144,714 yen
Number of issued investment units before the offering	2,235,735 units
Number of investment units issued at this offering	84,966 units
Number of issued investment units after the offering	2,320,701 units
Intended use of proceeds at the timing of the issue	All the proceeds would be used as the funds for acquiring specified assets to be acquired, the rest of the funds would be used as a part of the funds for acquiring specified assets in the future and repayment of borrowings
Scheduled timing of expenditures at the time of the issue	September 30, 2015

Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.

Current status	All the proceeds were used as a part of the funds for acquiring specified assets acquired on the above scheduled timing of expenditures
----------------	---

•Public Offering

Issue date	March 16, 2016
Amount of proceeds	15,270,223,010 yen
Issue value	159,347 yen
Number of issued investment units before the offering	2,320,701 units
Number of investment units issued at the offering	95,830 units
Number of issued investment units after the offering	2,416,531 units
Intended use of proceeds at the timing of the issue	All the proceeds would be used as the funds for acquiring specified assets to be acquired, the rest of the funds would be used as a part of the funds for acquiring specified assets in the future and repayment of borrowings
Scheduled timing of expenditures at the time of the issue	April 15, 2016 and May 2, 2016
Current status	All the proceeds were used as a part of the funds for acquiring specified assets acquired on the above scheduled timing of expenditures

•Third-Party Allotment

Issue date	April 12, 2016
Amount of proceeds	763,590,824 yen
Issue value	159,347 yen
Number of issued investment units before the offering	2,416,531 units
Number of investment units issued at the offering	4,792 units
Number of issued investment units after the offering	2,421,323 units
Allottee	Daiwa Securities Co. Ltd.
Intended use of proceeds at the timing of the issue	All the proceeds would be used as a part of the funds for acquiring specified assets to be acquired or repayment of borrowings
Scheduled timing of expenditures at the time of the issue	Scheduled timing of expenditures is not specified.
Current status	All the proceeds were used as a part of the funds for acquiring specified assets acquired on April 14, 2016

•Public Offering

Issue date	September 1, 2016
Amount of proceeds	16,298,878,651 yen
Issue value	165,671 yen
Number of issued investment units before the offering	2,421,323 units
Number of investment units issued at the offering	98,381 units

Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.

Number of issued investment units after the offering	2,519,704 units
Intended use of proceeds at the timing of the issue	All the proceeds would be used as the funds for acquiring specified assets to be acquired, the rest of the funds would be used as a part of the funds for acquiring specified assets in the future and repayment of borrowings
Scheduled timing of expenditures at the time of the issue	September 30, 2016 and October 3, 2016
Current status	All the proceeds were used as a part of the funds for acquiring specified assets acquired on the above scheduled timing of expenditures

•Third-Party Allotment

Issue date	September 28, 2016
Amount of proceeds	814,935,649 yen
Issue value	165,671 yen
Number of issued investment units before the offering	2,519,704 units
Number of issued investment units at the offering	4,919 units
Number of issued investment units after the offering	2,524,623 units
Allottee	Daiwa Securities Co. Ltd.
Intended use of proceeds at the time of the issue	All the proceeds would be used as the funds for acquiring specified assets to be acquired, the rest of the funds would be used as a part of the funds for acquiring specified assets in the future and repayment of borrowings
Scheduled timing of expenditures at the time of the issue	September 30, 2016 and October 3, 2016
Current status	All the proceeds were used as a part of the funds for acquiring specified assets acquired on the above scheduled timing of expenditures

## 8. Other (Lock-up)

With regard to the Public Offering, OJR agrees with the Joint Managing Underwriters not to issue investment units (excluding the Third-Party Allotment) for 90 calendar days from the delivery date of the Public Offering.

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 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.

Disclaimer: This document is not an offer to sell or a solicitation of any offer to buy the securities of OJR in the United States or elsewhere.