

For Immediate Release

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

TOKYO, February 26, 2018 — ORIX JREIT Inc. (“OJR”) announced the Issuance of New Investment Units and Secondary offering of Investment Units determined as set forth below.

1. Issuance of New Investment Units through Public Offering

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|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Number of investment units to be offered | 76,190 units |
| (2) Amount to be paid in (Issue value) | To be determined
The Amount to be paid in (Issue value) shall be determined at a board meeting to be held on any day during the period between Tuesday, March 6, 2018 and Friday, March 9, 2018 (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”). |
| (3) Offering method | All investment units shall be offered through Public Offering, and shall be underwritten and purchased by Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. (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, the closing price of OJR’s investment units in ordinary transactions on 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. |
| (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 |

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- (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 Tuesday, March 13, 2018 and Friday, March 16, 2018
- (8) The Amount to be paid in (Issue value) and other important matters concerning Issuance 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 sold Daiwa Securities Co. Ltd. 3,810 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) Selling price To be determined
The Selling 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) Selling method Daiwa Securities Co. Ltd. shall, in consideration of the demand and other conditions of Public Offering, conduct a secondary offering of up to 3,810 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) Selling 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. Issuance of New Investment Units through Third-Party Allotment (See <Reference> 1. below)

- (1) Number of investment units to be offered 3,810 units
- (2) Amount to be paid in (Issue value) To be determined
The Amount to be paid in (Issue value) shall be determined at the board meeting to be held on the Pricing Date. The Amount to be paid in (Issue value) shall be the same as that in the Public Offering.
- (3) Allottee and number of investment units allotted Daiwa Securities Co. Ltd. 3,810 units
- (4) Application unit Minimum one unit, and in multiples of one unit
- (5) Application period (Application deadline) Tuesday, April 10, 2018
- (6) Payment date Wednesday, April 11, 2018
- (7) Investment units which are not applied for by the end of the Application period (Application deadline) as set forth in (5) above shall be cancelled.
- (8) The Amount to be paid in (Issue value) and other important matters concerning Issuance of New Investment Units shall be determined at the board meeting to be held hereafter.

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(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 3,810 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 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 Monday, February 26, 2018 resolved the issuance of 3,810 new investment units through third party allotment to Daiwa Securities Co. Ltd. (hereinafter "Third-Party Allotment"), with the Payment date set to be Wednesday, April 11, 2018. 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 Friday, April 6, 2018 (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 Issuance 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. and SMBC Nikko Securities Inc..

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

Number of investment units outstanding	2,680,000 units
Number of new investment units issued by Public Offering	76,190 units
Number of investment units issued and outstanding after Public Offering	2,756,190 units
Number of new investment units issued by Third Party Allotment	3,810 units ^(Note)
Number of investment units issued and outstanding after Third Party Allotment	2,760,000 units ^(Note)

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.

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3. Purpose and Reason of the Issuance

OJR has decided to issue new investment units with the aim of improving profitability, stability and growth of our portfolio through the acquisition of new specified asset with fund procurement from the issuance of new investment units after comprehensive consideration of market trends, the level of distributions per unit, NAV per unit and others.

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

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

Maximum of 12,005,500,000 yen

Note: The above figure represents the total Proceed of 11,433,800,000 yen from Public Offering, and the maximum proceeds of 571,700,000 yen from Issuance 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 16, 2018.

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

OJR will allocate the amount of the proceeds from the issuance of new investment units through public offering (11,433,800,000 yen) to a part of the funds to acquire "Hotel Universal Port" stated in the press release "ORIX JREIT Announces Property Acquisition 'Hotel Universal Port'" announced on February 26, 2018. OJR will retain 571,700,000 yen of proceeds to be received from the issuance of new investment units through third-party allotment as cash in hand and deposit it to OJR's bank account before allocating it to funds for acquisition of specified asset or repayment of loans 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 32nd fiscal period ending February 28, 2018 and the 33rd fiscal period ending August 31, 2018, and Earnings & Distribution Forecasts for the 34th fiscal period ending February 28, 2019" released on February 26, 2018.

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 29 th fiscal period ended August 31, 2016	The 30 th fiscal period ended February 28, 2017	The 31 st fiscal period ended August 31, 2017
Net income per unit ^(Note)	3,141	3,609	3,233
Distribution per unit	3,000	3,252	3,230
Payout ratio	95.5%	90.1%	99.9%
Net assets per unit	119,714	122,324	124,883

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

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(2) The most recent Investment Unit Prices

(a) The most recent three fiscal periods (Unit: yen)

	The 29 th fiscal period ended August 31, 2016	The 30 th fiscal period ended February 28, 2017	The 31 st fiscal period ended August 31, 2017
Opening	171,500	180,500	176,200
High	191,500	187,100	180,500
Low	165,700	164,700	158,000
Closing	180,900	176,900	158,600

(b) The most recent six months (Unit: yen)

	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018
Opening	158,300	160,600	155,500	156,700	153,700	168,000
High	161,500	162,000	160,900	158,000	173,900	169,200
Low	155,300	154,700	152,200	151,100	148,300	159,100
Closing	161,500	156,100	157,700	156,100	168,100	166,900

Note: Regarding February 2018, investment unit prices until February 23, 2018 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 23, 2018
Opening	165,000
High	167,700
Low	164,500
Closing	166,900

(3) Status on Equity Financing for the most recent three fiscal periods ^(Note)

Note: "Status on Equity Financing for the most recent three fiscal periods" refers to the 30th fiscal period ended February 28, 2017, the 31st fiscal period ended August 31, 2017 and the 32nd fiscal period ending February 28, 2018 as the most recent three fiscal periods.

•Public Offering

Issue date	September 1, 2016
Amount of proceeds	16,298,878,651 yen
Issue value	165,671 yen
Number of investment units issued and outstanding before the offering	2,421,323 units
Number of investment units issued at the offering	98,381 units
Number of investment units issued and outstanding after the offering	2,519,704 units
Intended use of proceeds at the time of the issuance	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 and repayment of borrowings in the future.

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Scheduled timing of disbursement at the time of the issuance	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 disbursement.

•Third-Party Allotment

Issue date	September 28, 2016
Amount of proceeds	814,935,649 yen
Issue value	165,671 yen
Number of investment units issued and outstanding before the offering	2,519,704 units
Number of investment units issued at the offering	4,919 units
Number of investment units issued and outstanding after the offering	2,524,623 units
Allottee	Daiwa Securities Co. Ltd.
Intended use of proceeds at the time of the issuance	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 and repayment of borrowings in the future.
Scheduled timing of disbursement at the time of the issuance	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 disbursement.

•Public Offering

Issue date	March 1, 2017
Amount of proceeds	24,204,465,504 yen
Issue value	163,568 yen
Number of investment units issued and outstanding before the offering	2,524,623 units
Number of investment units issued at the offering	147,978 units
Number of investment units issued and outstanding after the offering	2,672,601 units
Intended use of proceeds at the time of the issuance	All the proceeds would be used as the funds for repaying the short-term loans attributable to acquisition of specified asset, the rest of the funds would be used as a part of the funds for acquiring specified assets and repayment of borrowings in the future.
Scheduled timing of disbursement at the time of the issuance	Not defined.
Current status	All the proceeds were used as a part of the funds for repaying the short-term loans as of March 31, 2017.

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•Third-Party Allotment

Issue date	March 28, 2017
Amount of proceeds	1,210,239,632 yen
Issue value	163,568 yen
Number of investment units issued and outstanding before the offering	2,672,601 units
Number of investment units issued at the offering	7,399 units
Number of investment units issued and outstanding after the offering	2,680,000 units
Allottee	Daiwa Securities Co. Ltd.
Intended use of proceeds at the time of the issuance	All the proceeds would be used as the funds for repaying the short-term loans attributable to acquisition of specified asset, the rest of the funds would be used as a part of the funds for acquiring specified assets and repayment of borrowings in the future.
Scheduled timing of disbursement at the time of the issuance	Not defined.
Current status	All the proceeds were used as a part of the funds for repaying the short-term loans as of March 31, 2017.

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.

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