



For Immediate Release

<For translation purposes only>

June 9, 2011

REIT Issuer
Hankyu REIT, Inc. (Securities Code: 8977)
19-19 Chaya-machi, Kita-ku, Osaka
Shuichiro Takahashi, Executive Director

Asset Management Company
Hankyu REIT Asset Management, Inc.
Shuichiro Takahashi, President & Representative
Director
Contact:
Kiyoyuki Takahashi
General Manager, Corporate Planning Dept.
Email: hankyureit-ir@hankyu-rt.jp

Notice Concerning Conclusion of Agreement on Acquisition of Assets (Investment Interest in Anonymous Association)

Hankyu REIT, Inc. (hereinafter "Hankyu REIT") announces it has today decided to conclude an "Agreement Concerning Investments in an Anonymous Association" (hereinafter "the Agreement") with a limited liability company that plans to be the business operator with respect to the investment interest in an anonymous association detailed below. Going forward, based on the Agreement, Hankyu REIT shall continue discussions with the aforesaid limited liability company regarding the contents of an anonymous association contract, and provided that the preconditions set forth in the Agreement are satisfied, Hankyu REIT plans to conclude an anonymous association contract with the aforesaid limited liability company and acquire investment interest in an anonymous association. The matters currently under discussion and other undecided matters will be announced when the details have been decided.

Details

1. Overview of Acquisition

- | | |
|---------------------------------|--|
| (1) Asset to be acquired: | Investment interest in anonymous association with real estate trust beneficiary interests as portfolio properties |
| (2) Property name: | Bay Leaf Funding GK (hereinafter "the Limited Liability Company")
Investment interest in anonymous association (hereinafter "the Investment Interest in Anonymous Association") |
| (3) Real estate under trust: | AEON MALL SakaiKitahanada prou (site) |
| (4) Proposed acquisition price: | Proposed investment amount: 372 million yen
(Investment interest in anonymous association: 10%) |
| (5) Proposed acquisition date: | June 30, 2011 |
| (6) Acquisition funds: | Corporate funds |

2. Reason for Acquisition

Based on policies and properties under management as stipulated in our articles of incorporation, we are acquiring an investment interest in an anonymous association to obtain steady growth with a focus on an overall balanced portfolio. In the case that we are able to carry out the acquisition of an investment interest in an anonymous association, Hankyu REIT will receive dividends on profits funded by lease income and others from the land leaseholder. In addition, based on the Agreement, it is understood that, in accordance with the acquisition of the investment interest in an anonymous association, Hankyu REIT and the Limited Liability Company will have discussions in good faith regarding the granting of priority negotiation rights to Hankyu REIT for acquisition of the real estate trust beneficiary interests which are portfolio properties in the investment interest in the anonymous association (hereinafter “the Trust Beneficiary Interests”), or the sites which are the real estate under the trust of the Real Estate Trust Beneficiary Interests.

On the conclusion of the Agreement, the following points were evaluated regarding the AEON MALL SakaiKitahanada prou site (hereinafter “the Property”), which is the real estate under the trust of the Real Estate Trust Beneficiary Interests.

(1) Location Conditions

The Property is the site of a large-scale community-based retail facility located adjacent to Kitahanada Station on the Subway Midosuji Line. The rate of increase in the number of passengers using Kitahanada Station significantly exceeds the rates of increase at other nearby stations on the Subway Midosuji Line. In the past 10 years, the number of passengers using the station has increased by 1.5 times, to an average of 23,573 passengers per day. In addition, the eastern side of the site touches a principal local road, the Osaka-Takaishi Route (Osaka Prefectural Road Route 28), the southern side of the site touches the Obori-Sakai Route (Osaka Prefectural Road Route 187), and on the southeastern side, these routes cross at the Kitahanada intersection, making the site an important hub for road traffic. As well as its convenience for access by road, another strength of the retail facility on the Property is its ability to attract customers due to the ease with which it can be accessed by multiple means of transport, including rail and bus.

The population volume in the market area of the Property is abundant. By distance, the population in the 3km area around the Property is 330,000, and 860,000 in the 5km area. Furthermore, in terms of population per square meter of retail floor area, the population in the 3km area is 1.16 people, while the population in the 5km area is 1.15 people, comfortably exceeding both the whole country's average figure of 0.85 people per square meter and Osaka prefecture's average figure of 1.03 people per square meter. In the same 5km area, there is no competing facility to beat the retail facility on the Property in terms of features such as size or the ability to attract customers, and as a result, we judge it to be highly competitive.

(2) Property Characteristics

With large supermarkets and the Hankyu Department Store at its core, the retail facility on the Property is a large-scale shopping mall with about 160 specialty retail stores in areas such as fashion, household goods, and eating and drinking establishments. These stores account for about 56,500 square meters of the retail facility's floor space, and there is parking garage space for about 2,800 vehicles. The retail facility opened in October 2004, and a renewal of the specialty shops was carried out between October and November 2010 in consideration of meeting the requirements of different types of clientele and changes in the competitive environment. As a sophisticated retail facility, it boasts a considerable ability to attract customers.

3. Details of the Proposed Acquisition of Asset

(1) Overview of the targeted anonymous association to be invested

Yet to be decided

(2) Overview of the Trust Beneficiary Interests and targeted real estate

Property name:		AEON MALL SakaiKitahanada prou (site)			
Specific asset type		Trust beneficiary interests			
Trustee		Yet to be decided			
Trust period		Yet to be decided			
Appraisal value		8,490 million yen (value as of June 1, 2011) (Appraisal organization: Rich Appraisal Institute co.,Ltd.)			
Location	Lot number	4-1-32, Higashiasakayama-Cho, Kita-ku, Sakai and other			
Land	Building coverage	80% / 60%	Building	Month/Year Built	-
	Floor area ratio	300% / 200%		Structure/Floors	-
	Zone use	Neighborhood commercial district, Category 1 medium-to-high-rise exclusive residential districts		Use	-
	Lot area	64,232.77 m ²		Total floor area	-
	Form of ownership	Right of ownership		Form of ownership	-
Property manager		Yet to be decided			
PML of earthquake risk analysis		-			
Collateral		Yes (proposed) (Note 1)			
Overview of leasing					
	Total number of tenants (lessee of the land)	2			
	Tenant (lessee of the land)	The Sumitomo Trust and Banking Co., Ltd. and AEON MALL Co., Ltd.			
	Annual rent	- (Note 2)			
	Leasable area capacity	64,232.77 m ² (Note 3)			
	Actual rented area	64,232.77 m ² (Note 3)			
	Occupancy rate	100% (Note 4)			
	Security deposits	- (Note 2)			

Note 1: For the Real Estate Trust Beneficiary Interests, a pledge will be established setting the Limited Liability Company as the pledgor and a non-recourse loan lender as the pledgee.

Note 2: At the request of tenant (lessee of the land), information is not permitted to be disclosed.

Note 3: Figures represent areas noted in the existing registry.

Note 4: The ratio of actual rented area to leasable area capacity.

(3) Overview of the operator of the anonymous association who is proposed to be invested (As of June 9, 2011)

Trade name	Bay Leaf Funding GK
Location of headquarters	Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Representative company: NFB48 Commerce Promotion Organization GIA Executor of duties: Masakazu Hongo
Capital	100 thousand yen
Date of establishment	March 10, 2011
Major shareholder and shareholding ratio	Bay Leaf Funding GK is a special purpose company in which the general incorporated association, NFB48 Commerce Promotion Organization GIA, has made investments (100%) and Hankyu Corporation and others have invested for the part of anonymous associations.
Main business activities	1. Acquisition, ownership, disposal, lease and management of real estate 2. Acquisition, ownership, and disposal of trust beneficiary interests of real estate 3. Operations related to or of ancillary relationship to, the above operations
Relation to Hankyu REIT or asset management company	Hankyu Corporation, shareholder (100% holding) of asset management company, Hankyu REIT Asset Management, Inc., is an interested party as defined by the Act on Investment Trusts and Investment Corporations (hereinafter "Investment Trusts Act"). Although it comprises a part of anonymous associations investing in the operator, the operator does not fall under the definition of "interested party, etc." in the Investment Trusts Act. Also, because an investment of more than 50% is not planned, the operator does not qualify as an interested party as defined by the asset management company's rules concerning transactions involving conflicts of interest. However, because involvement of interested parties as defined by the Investment Trusts Act is proposed by the operator, a report detailing all opinions including minority opinions has been deliberated at the compliance committee in the capacity of advisory organization in accordance with the asset management company's compliance committee regulations, and submitted to the asset management company's President & Representative Director and board of directors.

4. Overview of Intermediaries

None

5. Acquisition Process

June 9, 2011	Resolution approving conclusion of "Agreement Concerning Investments in an Anonymous Association" by the asset management company's board of directors' meeting
June 10, 2011	Proposed conclusion of "Agreement Concerning Investments in an Anonymous Association"
June 23, 2011	Proposed resolution of conclusion of anonymous association contract by the asset management company's board of directors' meeting
June 29, 2011	Proposed conclusion of anonymous association contract
June 30, 2011	Proposed acquisition of the investment interest in anonymous association

6. Future Outlook

There is no influence from the investment interest in anonymous association that affects the conditions surrounding the management of Hankyu REIT's assets during the 12th fiscal period ended May 31, 2011. Forecasts on the management of Hankyu REIT's assets for the 13th fiscal period ended November 30, 2011 will be released with the Financial Results of the 12th fiscal period ending May 31, 2011.

- The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club), Osaka Securities Exchange, Ministry of Land, Infrastructure, Transport and Tourism, and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- Hankyu REIT website: <http://www.hankyu-reit.jp/>

<Attached Materials>

Reference Material 1	Overview of Appraisal Report
Reference Material 2	Table of Real Estate Portfolio After the Acquisition of the Investment Interest in Anonymous Association
Reference Material 3	Photograph of External Facade, Map of Location and Surrounding Area

Reference Material 1

Overview of Appraisal Report

PROPERTY NAME	AEON MALL SakaiKitahanada prou (Site)
Appraised Value	8,490,000,000 yen
Appraisal Organization	Rich Appraisal Institute co.,Ltd.
Date of Appraisal	June 1, 2011

Item	Value	Basis for Valuation
Earned Price*	8,490,000,000 yen	-
Earned Price from Discounted-Cash-Flow (DCF) method	8,490,000,000 yen	-
Discount rate per period	5.0%	-
Terminal capitalization rate	5.0%	-

Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value	<p>The targeted real estate is located adjacent to prefectural road routes close to the border with Osaka City inside the northern edge of Kita-ku, Sakai. This area is a favorable commercial zone intersected by major transportation routes in a superb location both in terms of commercial area population and accessibility. Also the targeted real estate is comprised of a large-scale retail facility for which a fifty-year contract has been executed for the establishment of general fixed-term leased-land rights, and a parking area that is used for the aforesaid facility. The profitability of the property is therefore deemed safe and secure.</p> <p>The discount rate, etc. using the DCF method was calculated based on consideration of the current standard land prices and the remaining term of the lease. The appraised value of the property was decided by the appraisal organization, who treated the value as the earned price obtained by the DCF method. The appraisal decision was based on similar cases with leased-land ownership and considerations were given to the process by which the earned price was formulated, placing emphasis on profitability of the market participants.</p>
--	---

*The appraised value of real estate is an indication of the opinion of the value by the appraiser of the real estate in question and is conducted by an appraisal in accordance with the law and standards related to real estate appraisals at the time of the appraisal. There may be cases where an appraisal of the exact real estate is conducted again, and because of factors such as timing of the appraisal and the appraisal method used by the appraiser, a different value may result. Furthermore, the appraised valuation of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase of the real estate.

Reference Material 2

Table of Real Estate Portfolio after the Acquisition of the Investment Interest in Anonymous Association

Building No. (Note 1)	Property Name	Facility (Type of Use)	Area	Acquisition Date	Acquisition Price (in millions)	Investment Ratio
R1 (K)	HEP Five	Retail	Kansai	February 1, 2005	20,790	17.1%
R2 (K)	Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	6.4%
R3 (K)	Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	5.7%
R4 (K)	Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	7.1%
R5 (K)	Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	1.1%
R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Retail	Other areas	October 2, 2006	2,170	1.8%
				April 9, 2007	5	
R7 (K)	NU chayamachi	Retail	Kansai	March 15, 2007	19,300	15.9%
R8	Hotel Gracery Tamachi	Retail	Other areas	December 25, 2008	4,160	3.4%
R9 (K)	LaLaport KOSHIEN (site)	Retail	Kansai	January 22, 2009	7,350	6.1%
R10	Richmond Hotel Hamamatsu	Retail	Other areas	January 22, 2009	2,100	1.7%
	Subtotal				80,463	66.3%
01	Shiodome Eastside Building	Office	Other areas	February 29, 2008	19,025	15.7%
	Subtotal				19,025	15.7%
M1 (K)	Ueroku F Building	Complex facility	Kansai	November 1, 2005	2,980	2.5%
M2	Sphere Tower Tennoz	Complex facility	Other areas	October 2, 2007	9,405	7.8%
M3 (K)	LAXA Osaka	Complex facility	Kansai	January 22, 2009	5,122	4.2%
M4 (K)	Namba-Hanshin Building	Complex facility	Kansai	January 22, 2009	4,310	3.6%
	Subtotal				21,817	18.0%
	Total				121,306	100.0%

Note 1: Numbers represent the classification for properties owned by Hankyu REIT by each region and type of use. Letters represent retail ("R"), office ("O") and complex facility ("M").

Numbers represent the chronological order of the acquisition of each facility. Also, the letter "K" in parentheses to the right of these numbers indicates that the property is located in the Kansai region.

Note 2: In addition to the assets shown above, we plan to acquire an investment interest in an anonymous association issued by Bay Leaf Funding GK on June 30, 2011.

Reference Material 3

Photograph of External Facade



Map of Location and Surrounding Area

