

Oct 28, 2011

R&I Assigns A+: Hankyu REIT, Inc. SB No.1

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Hankyu REIT, Inc.
Unsec. Str. Bonds No.1: A+, Assigned

RATIONALE:

Hankyu REIT, Inc. (HRI) is a real estate investment trust (J-REIT) that invests in properties partitioned for both commercial and office use. The REIT is sponsored by Hankyu Corp.

HRI has invested in commercial facilities and office buildings, etc. mainly in the Kansai area. While being affected by the deterioration in the real estate leasing market, HRI's cash flow will likely be maintained at a solid level, given the competitiveness of its properties and tenants with long-term contracts, which account for a certain ratio of the total tenants, particularly in commercial facilities. While the debt ratio has been higher than the target level, the REIT continues relatively stable funding, consisting primarily of long-term funds from domestic major banks.

The primary rating methodologies applied to this rating are provided at "Basic Methodologies for R&I's Credit Rating" and "Rating Methodology for J-REIT". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/cfp/about/methodology/index.html>

R&I RATINGS:

ISSUER: Hankyu REIT, Inc. (Sec. Code: 8977)
Unsec. Str. Bonds No.1

RATING: A+, Assigned

ISSUE AMOUNT (mn): JPY 6,000

ISSUE DATE: Nov 11, 2011

MATURITY DATE: Nov 11, 2016

COUPON RATE: 1.27%

SUPPORT: Unsecured

ISSUER RATING: A+

RATING OUTLOOK: Stable

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