

Hankyu REIT

Financial Results Briefing Materials
for the **15**th Fiscal period ended
November 2012



Hankyu REIT, Inc.

<http://www.hankyu-reit.jp>



Hankyu REIT Asset Management, Inc.

<http://www.hankyu-rt.jp>



External Growth

- Searched for excellent properties with particular emphasis on community-based retail properties
- Secure properties by utilizing warehousing capabilities and considering growth to improve portfolio through collaboration with the sponsor group

Internal Growth

- Focused on improving earning power through proactive efforts to replace tenants and change brands in HEP Five and attracting service-related tenants in NU chayamachi
- Occupancy rate for total portfolio achieved 99.0% (as of End of 15th Fiscal Period)

Financial Strategies

- Realized extended years to maturity of borrowings and diversification of debt repayment dates by implementing solid refinancing
- Achieved both stabilizing finances and suppression of debt financing costs by reinforced collaboration with financial institutions.

Results for 15th Fiscal Period

Distribution per unit JPY 12,228 (up 1.9% from the initial forecast)

Portfolio NOI yield* 4.6%

*NOI yield = (Lease operation income + Depreciation) × 2 ÷ Total acquisition price

Investment unit price at end of 15th fiscal period (closing price):

JPY 394,500

Net assets per unit: JPY 660,294

Net assets per unit after reflecting unrealized income/loss:

JPY 562,811

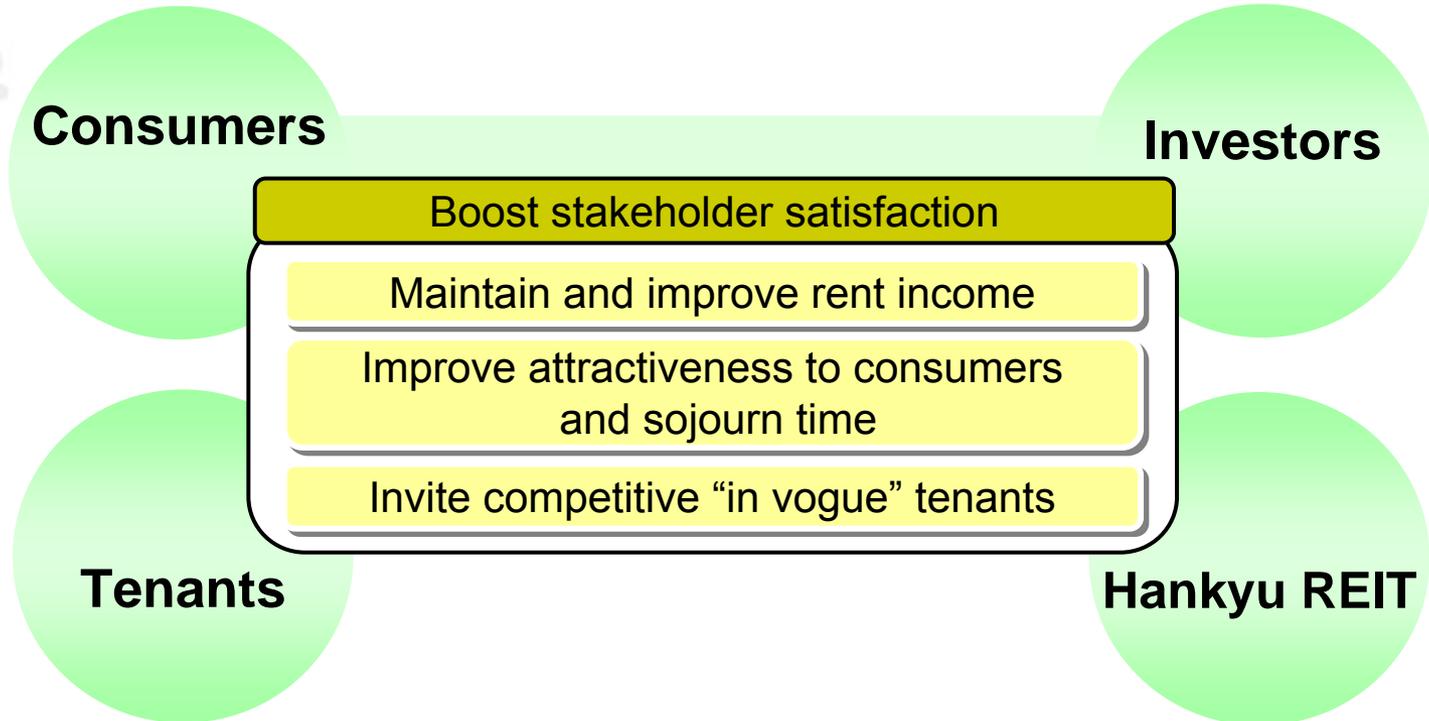
Forecast for 16th Fiscal Period

Distribution per unit forecast

JPY 11,500



Achieving a WIN-WIN-WIN-WIN relationship in operations



«Results for 15th Fiscal Period»

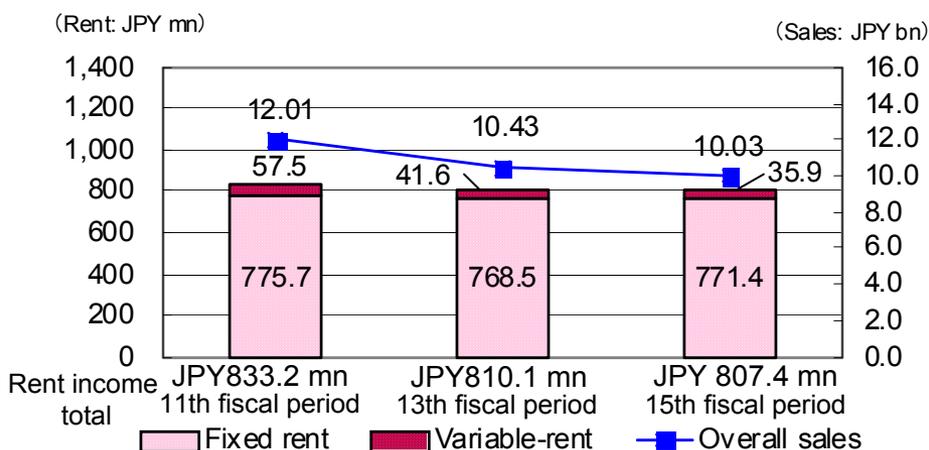
- HEP Five: Promoted replacement of tenants (3 replacements) and change of brands (4 changes), and enhancing facility’s appeal
- NU chayamachi: Aimed to improve attractiveness to customers by inviting an aesthetic salon on 7th floor and attracting service-related tenants
- Shiodome East Side Building: Invited a public interest incorporated foundation to a vacated section on 7th floor, achieved 100% occupancy rate at end of the 15th fiscal period
- Namba-Hanshin Building: Invited a sponsor group company on the entire 8th floor, occupancy rate of 94.9% at end of the 15th fiscal period (up 9.2 points from previous fiscal period)
- Dew Hankyu Yamada: Maintained 100% occupancy throughout the fiscal period. Realized rent increase through rent revisions for a portion of tenants

HEP Five

Appeal of the entire Umeda area improved due to the grand opening of Hankyu Umeda Flagship Store in November 2012, and recently both the number of visitors and the overall sales are on an increasing trend due to improved customer flow and navigability from JR Osaka Station. (*Refer to graph on page 32)

Rent income down 0.4% year-on-year due to the drop in variable-rent (however, fixed rent maintains stable) resulting from a temporary drop in occupancy rate and the drop in overall sales associated with proactive replacement of tenants.

Overall Sales and Rent



Proactively replaced tenants and changed brands

Focused on replacing tenants with low sales by increasing the floor space of strong-sales tenants and attracting Kansai debut store tenants in order to improve the “freshness,” overall sales and the rent income of the property.

Replaced tenants in 3 sections and changed brands in 4 sections in the 15th fiscal period.

Planning tenant replacements and brand changes in about 20 sections in the 16th fiscal period in an aim for further improvement in customer attraction and sales.



Kawaiimarche by Sanrio

New store of character goods selected by Sanrio
Opened on October 5 (4F)



2012 Xmas Illumination

Xmas illumination in collaboration with Third-Generation J Soul Brothers



35th ORIGINAL FASHION CONTEST

Original Fashion Contest

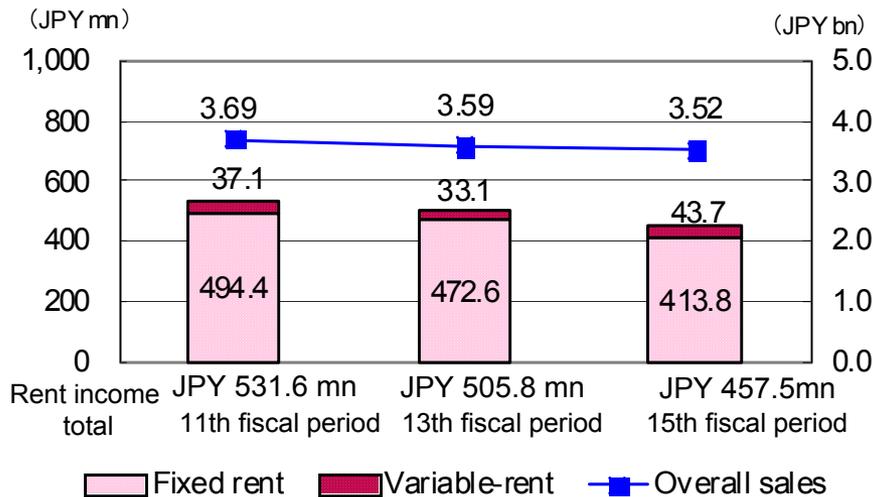
A contest with history held for the 35th time in 2012. Widely popular as a gateway for youths aspiring to become fashion designers.



NU chayamachi

Progressing a strategic leasing plan that includes section changes and tenant replacements in order to reinforce Umeda Area's competitiveness. The rent income for the fiscal period temporarily decreased due to the downtime (period of vacancies) that emerged from replacements and section aggregations. Will aim for increased number of visitors and rent income from the next fiscal period and thereafter along with holding various customer attraction events in collaboration with the surrounding facilities.

Overall Sales and Rent



- Progressing strategic leasing plans to reinforce competitiveness
Realized invitation and accumulation of service-related tenants with high likeliness of being the reason for the visit, such as photo studios and aesthetic salons, for the 7th floor. In addition, even on other floors the plan is to attract a large sporting goods store with high customer attraction by aggregating tenant sections with weak competitiveness.
- Held various "city strolling" events in collaboration with the surrounding facilities
Focused on customer attraction by conducting events in collaboration with surrounding facilities such as "UMECHA-SAI", "CHAYAMACHI-BAR", "UMEDA SNOMAN FESTIVAL" and "CANDLE NIGHT".
⇒ Contributed to improvement in customer attraction and appeal of Chayamachi area as the only place to enjoy "city strolling" in Umeda



Photo Studio



Aesthetic Salon

■ Inviting and accumulating service-related tenants on 7th floor



■ Held various collaborative events with surrounding facilities



<Kitano Hankyu Building>

Mixed-use restaurant facility in central Umeda

The building's retail area "DD HOUSE" is increasingly showing its presence as an "Entertainment Town of 'Food, Drinks and Play'" located at central Umeda.
Maintained occupancy rate of 100% throughout the fiscal period.



■ Dew Hankyu Yamada Monthly event

<Dew Hankyu Yamada>

Revised to increase rent for portion of tenants

Overall sales are solid, realized rent increase through rent revision for a portion of tenants.
Maintained occupancy rate of 100% throughout the fiscal period.

<Shiodome East Side Building>

Achieved occupancy rate of 100% at end of period

A public interest incorporated foundation occupied a vacant section on 7th floor, and as a result the occupancy rate recovered to 100% at end of the fiscal period.



■ Hotel Gracery Tamachi Guest room photo

<Hotel Gracery Tamachi>

Listed in the MICHELIN Guide for the second consecutive year

Listed as pleasant hotel for the second consecutive year in "MICHELIN Guide Tokyo Yokohama Shonan 2013."

< Properties mainly using the sales-based overage rent system >

Name	Main rent system	Present conditions
HEP Five Specialty shop buildings (City center SC)	Overage (fixed + variable)	Although the occupancy rate at end of fiscal period was down 0.4 points from the previous period (14th fiscal period) to 99.6%, maintained 100% occupancy rate other than tenant replacement period. Aiming for recovery in sales, held collaborative events using Twitter in addition to holding the customary original fashion contest by having reviewed sales promotion activities in cooperation with tenants and the PM company. By promoting the replacement of tenants with low sales and the change of brands (plans to replace and change brands of approximately 20 tenants in the 16th fiscal period), continue to aim to revitalize the entire property and focus on enhancing the appeal.
N _U chayamachi Specialty shop buildings (City center SC)	Overage (fixed + variable)	The occupancy rate at end of fiscal period was 87.7%, up by 2.7 points from the end of previous fiscal period (14th fiscal period), and relocation of service-related tenants within the building to increase floor space and invitation of large sporting goods store are planned for the 16th fiscal period in addition to focusing on leasing other vacant spaces. Contributed to improving the appeal and attractiveness to customers of the entire Chayamachi area through the development of events jointly with surrounding facilities including "CHAYAMACHI BAR," a street bar where visitors can go from restaurant to restaurant and pub to pub, and "CHAYAMACHI ART PICNIC" with exhibitions of original art by popular artists.

< Properties using the fixed rent system >

Name	Main rent system	Present conditions
Ueroku F Building Office	Fixed	Occupancy rate was stable at 89.9% at the end of the 15th fiscal period, no change from the end of the previous fiscal period (14th fiscal period). Maintained occupancy rate by tenants increasing floor space within the building even though one tenant vacated during the period. Utilizing the building attributes that make it competitive in the area (accessibility, visibility and scale), currently focusing on leasing vacant office spaces.
Sphere Tower Tennoz Office	Fixed	Although the occupancy rate at end of fiscal period was 90.2%, down 2.4 points from the previous fiscal period (14th fiscal period), due to a contract cancellation of one floor in July 2012, realized new occupancy by a clinic tenant and expansion of floor space within the building by an office tenant. Implemented disaster prevention measures such as creating disaster response manuals and adding stockpiles for disaster response, as requested by tenants; continue to focus on boosting tenant satisfaction and aim to secure tenant leasing as early as possible.
Shiodome East Side Building Office	Fixed	Invited public interest incorporated foundation to vacated section on 7th floor in November 2012, and achieved occupancy rate of 100% at end of fiscal period. Reduced BM fee by taking advantage of the fact that a PM company is occupying the building. Going forward, continue to reinforce tenant relations and focus on improving tenant satisfaction.
Namba-Hanshin Building Office	Fixed	The occupancy rate at end of fiscal period is 94.9%, up 9.2 points compared to the end of previous fiscal period (14th fiscal period), due to inviting a sponsor group company to the whole 8th floor. As the area is attractive to businesses with visits from clients, currently focusing on leasing vacant offices.

<Properties that mainly use the long-term, fixed rent systems>

Name	Main rent system	Present conditions
Kitano Hankyu Building Specialty shop buildings (City center SC)	Long-term, fixed (partly overage)	Maintained occupancy rate of 100% throughout the fiscal period Planning store renewal for portion of tenants and replacement of tenants, expectations for further customer attraction. Aim for improvement in attractiveness to customers by continuing to hold collaborative events with "CANDLE NIGHT (WINTER)" and "UMEDA SNOWMAN FESTIVAL".
Dew Hankyu Yamada NSC (Neighborhood shopping centers)	Long-term, fixed (partly overage)	Stably maintained occupancy rate of 100% throughout the period Customer-attractive events such as "Summer Fair" and "Anniversary Fair" were regularly held. Because the market area population is large and the building has strong attractiveness for customers, both overall sales and rent income are stable. Realized rent increase through rent revision for a portion of tenants in November 2012
Takatsuki-Josai Shopping Center NSC (Neighborhood shopping centers)	Long-term, fixed	Stable rent income based on the fixed-type master lease method* with Kohnan Shoji Co., Ltd. Tenant composition of home improvement center, grocery store, home electronics retailer, sporting goods store, etc. fulfills the needs of residents in the surrounding area. Construction to expand retail floor space completed in November 2012.
Nitori Ibaraki-Kita Store (site) Specialty shops	Long-term, fixed	Stable rent income based on a contract for fixed-term land lease for business use with Nitori Holdings Co., Ltd. The market area population is increasing mainly due to local residential property development.
Kohnan Hiroshima Nakano-Higashi Store (site) NSC (Neighborhood shopping centers)	Long-term, fixed	Stable rent income based on a contract for fixed-term land lease for business use with Kohnan Shoji Co., Ltd. Retail property that offers high transportation convenience with a home improvement center and a grocery store.
Hotel Gracery Tamachi High-grade hotels for business travelers	Long-term, fixed	Stable rent income based on long-term lease with Fujita Kanko Inc. Hotel occupancy rate has recovered to a high level since summer 2012. The latest average occupancy rate remained at a high level of 98%. Listed in the hotel section of "MICHELIN Guide 2013" and this was utilized in sales promotion development and commemoration plans.
LaLaport KOSHIEN (site) RSC (Regional shopping centers)	Long-term, fixed	Stable rent income based on a contract for fixed-term land lease for business use with Mitsui Fudosan Co., Ltd. Property's competitiveness further boosted by conducting a major renewal in spring 2011 (bringing in new stores of fast-fashion chains such as H&M, ZARA, UNIQLO and newly adding "LaLaKid's Park").
LAXA Osaka City hotels	Long-term, fixed	Stable rent income based on the fixed-type master lease method* with Hanshin Electric Railway Co., Ltd. (Note) The occupancy rate of Hotel Hanshin that is under a sub-leasing contract remained at a high level.
Richmond Hotel Hamamatsu High-grade hotels for business travelers	Long-term, fixed	Stable rent income based on the fixed-type master lease method* with RNT HOTELS Co., Ltd. (consolidated subsidiary of ROYAL HOLDINGS Co., Ltd.). Converted a portion of guest rooms into conference rooms and refurbished guest room interiors. By providing a wide range of accommodation plans among other incentives, the hotel continues to maintain a high-level occupancy rate in the Hamamatsu City area.

(Note) Fixed-type master lease method: Hankyu REIT receives rent income from the master lessee (sublessor). The amount received is fixed irrespective of the rent received by sublessor from end-tenants.

Basic Financial Policy

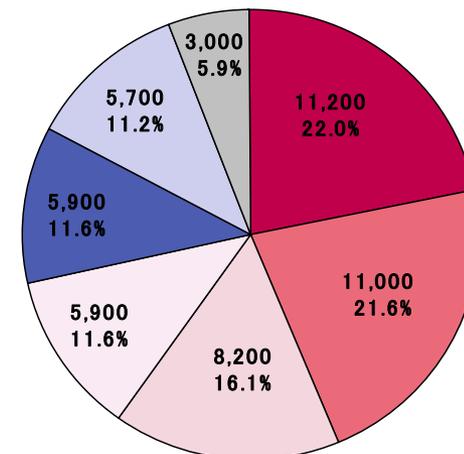
- Maintain sound financial position
- Maintain favorable trading relationship with financial institutions
- Lower fund procurement costs (effective use of security deposits/guarantees)
- Reduce financing risks (diversification of debt repayment dates)
- Reduce interest rate risks (focus on long-term, fixed rate loans)

	As of end of 14th period	As of end of 15th period
Interest-bearing debt	JPY 56.9 bn	JPY 56.9 bn
Avg. funding cost (interest-bearing debt+utilized amount of security deposits and guarantees)	1.31%	1.25%
Avg. debt financing cost (including investment corporation bonds)	1.43%	1.36%
Avg. remaining years on long-term loans payable and investment corporation bonds	2.1 years	2.4 years
Long-term debt ratio	88.6%	89.5%
Fixed debt ratio	75.9%	69.8%
LTV	55.9%	55.8%
Interest-bearing debt ratio	45.5%	45.5%
Investor rating (R&I)	A+ (stable)	A+ (stable)

(Note) LTV = (Interest-bearing debt + Security deposits/guarantees – Cash deposits of security deposits/guarantees) / (Total amount of assets* – Cash deposits of security deposits/guarantees)

* Appraised value basis

Outstanding Debt by Lender (JPY mn)



- Mitsubishi UFJ Trust and Banking Corporation
- Development Bank of Japan Inc.
- Sumitomo Mitsui Banking Corporation
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Mizuho Corporate Bank, Ltd.
- Sumitomo Mitsui Trust Bank, Limited
- The Senshu Ikeda Bank, Ltd.

Total JPY 50.9bn

Registration for Issuance of Investment Corporation Bonds

Planned value of issuance (upper limited):

JPY 100,000 mn

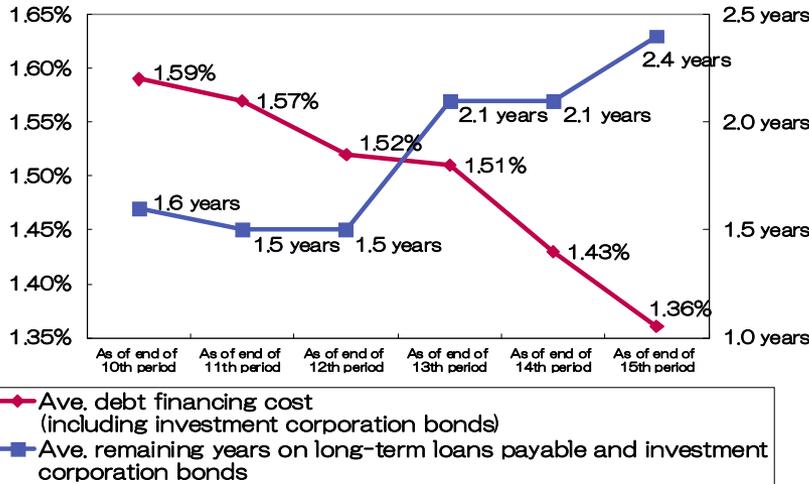
Planned issuance period: Dec. 19, 2011 to Dec. 18, 2013



As of November 30, 2012

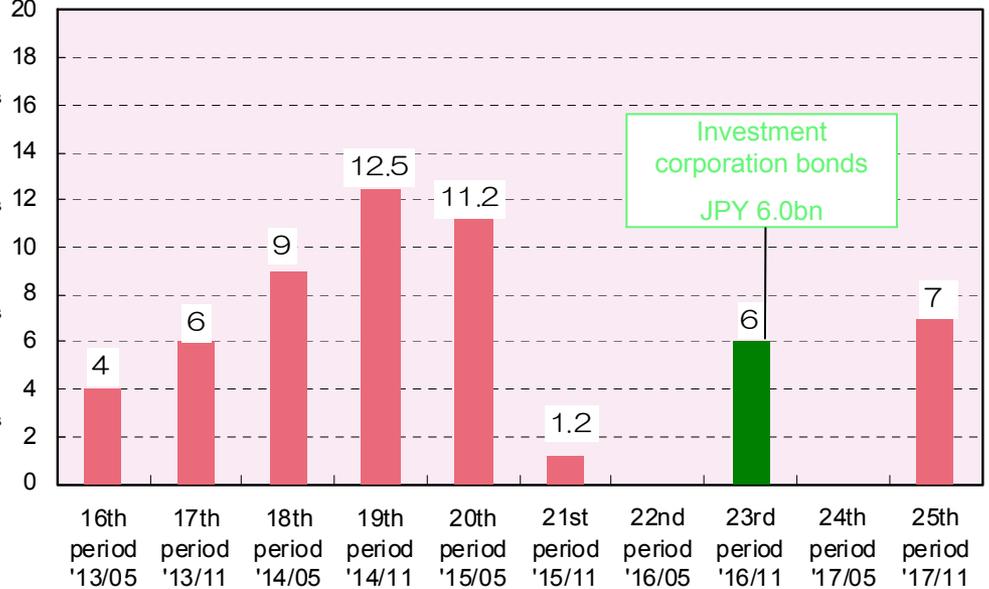
Trend of Debt Financing Costs and Avg. Remaining Years

Realized reduced debt financing costs and extending the average remaining years of loans payable



Diversification of Repayment Dates

(JPY bn)



JPY 1bn long-term loans payable that will become due on January 21, 2013 and JPY 1bn short-term loans payable that will become due on January 23, 2013 are planned to be refinanced into a long-term loans payable (three years) and short-term loans payable (one year) each.

【Main factors】

- Kitano Hankyu Building: -28 (Decrease of rent income from tenant replacement: -9, increase of BM costs such as maintenance, etc.: -6)
- HEP Five: -23 (Decrease of rent income from tenant replacement: -15, increase of BM costs such as maintenance, etc.: -6)
- NU chayamachi: -20 (Increase of repair expenses from tenant replacement: -26)

(Unit: JPY mn)

Item	Results for 15th Fiscal Period ① (Jun. 1, 2012 to Nov. 30, 2012)	Forecast for 16th Fiscal Period ② (Dec. 1, 2012 to May 31, 2013)	Change ②-①	Results for 14th Fiscal Period ③ (Dec. 1, 2011 to May 31, 2012)	Change ②-③
Operation period (days)	183	182	-1	183	-1
Operating revenues	4,736	4,672	-63	4,772	-99
Operating income	1,471	1,402	-69	1,501	-99
Ordinary income	1,045	983	-62	1,054	-70
Net income	1,044	982	-62	1,052	-70
Number of outstanding investment units at end of period (units)	85,400	85,400	—	85,400	—
Distribution per unit (JPY)	12,228	11,500	-728	12,324	-824
FFO per unit (JPY)	23,786	23,016	-769	24,013	-996

【Main preconditions】

- There will be no transfers of portfolio properties from the presently held 15 properties and 1 investment interest in silent partnership with real estate trust beneficiary interests.
- There will be no additional issuance of investment units to the present 85,400 units until the end of the period.



2. Operation Issues and Future Management Strategy



Issues on External Growth

- Failed to expand the portfolio size for past 4 years.
- Failed to clearly show the collaboration with the sponsor group towards the market.

Issues on Internal Growth

- Although portfolio occupancy rate maintains a high level, there are the risks of NOI and distributions decreasing due to the decreasing sales-based overage rent resulting from retail tenants' sales slowdown, as well as relocation of major tenants in the offices.
- Needs for a major renewal of the facilities is increasing amidst the intensifying competition with the surrounding facilities resulting from the open rush of retail facilities in Umeda area

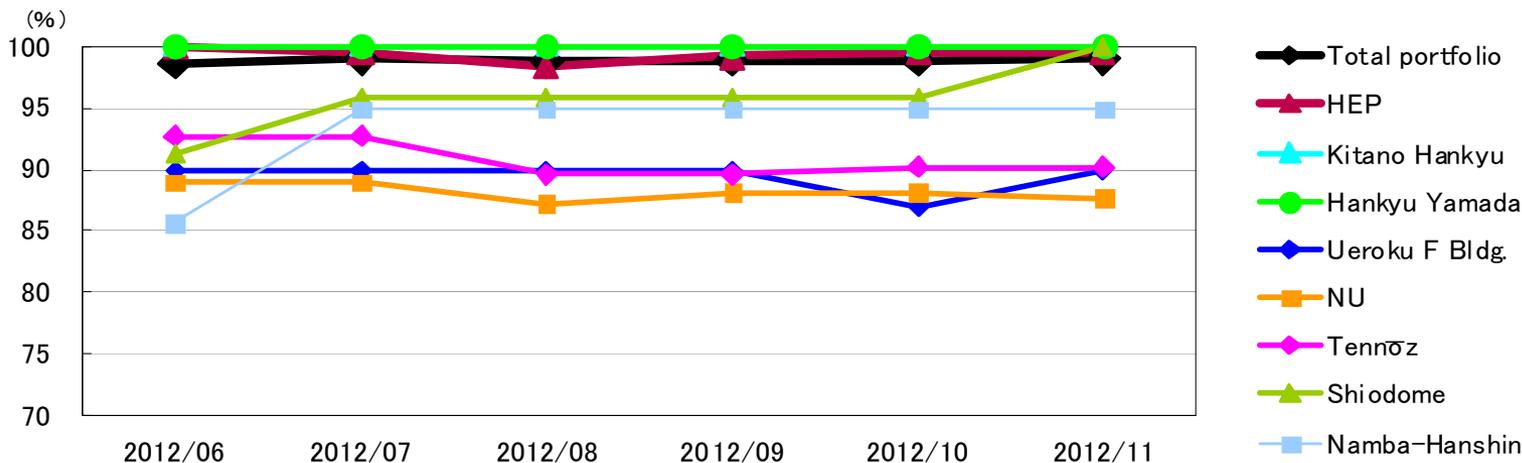
Issues on Financial Strategies

- The fund procurement environment of debt financing is favorable, but there are restrictions on additional debt financing due to the LTV being at a high level and as a result options for acquisition opportunities of new properties are limited.
- There are concerns that the LTV will increase if appraisal values continuously drop.



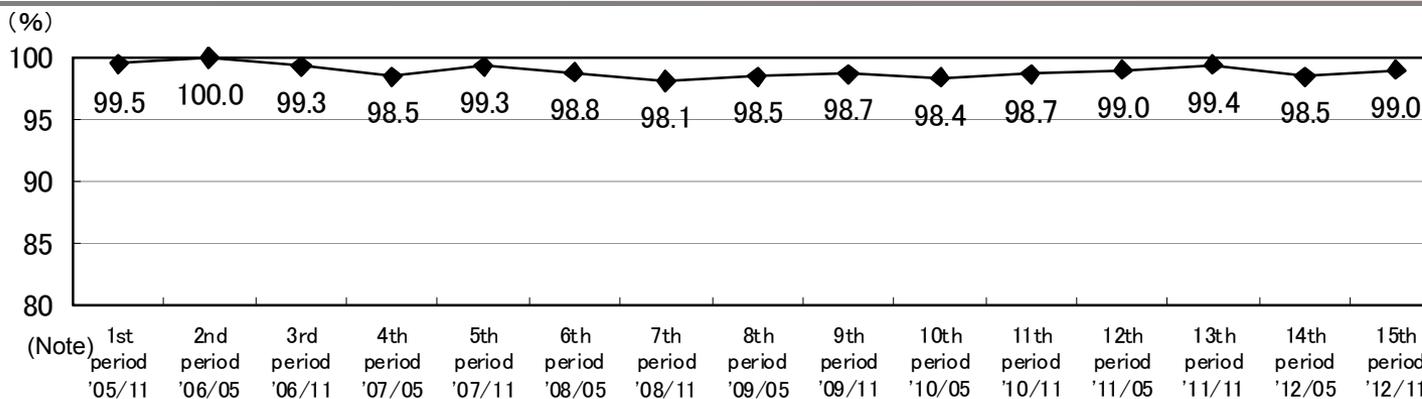
Total portfolio occupancy rate **99.0** (end of 15th fiscal period)

The graph excludes the seven properties (Takatsuki-Josai, Nitori Ibaraki, Kohnan Hiroshima, Tamachi, LaLaport KOSHIEN, LAXA Osaka and Hamamatsu) leased to single tenants (occupancy rates of 100%).



(Note) Figures express the value at the end of each month.

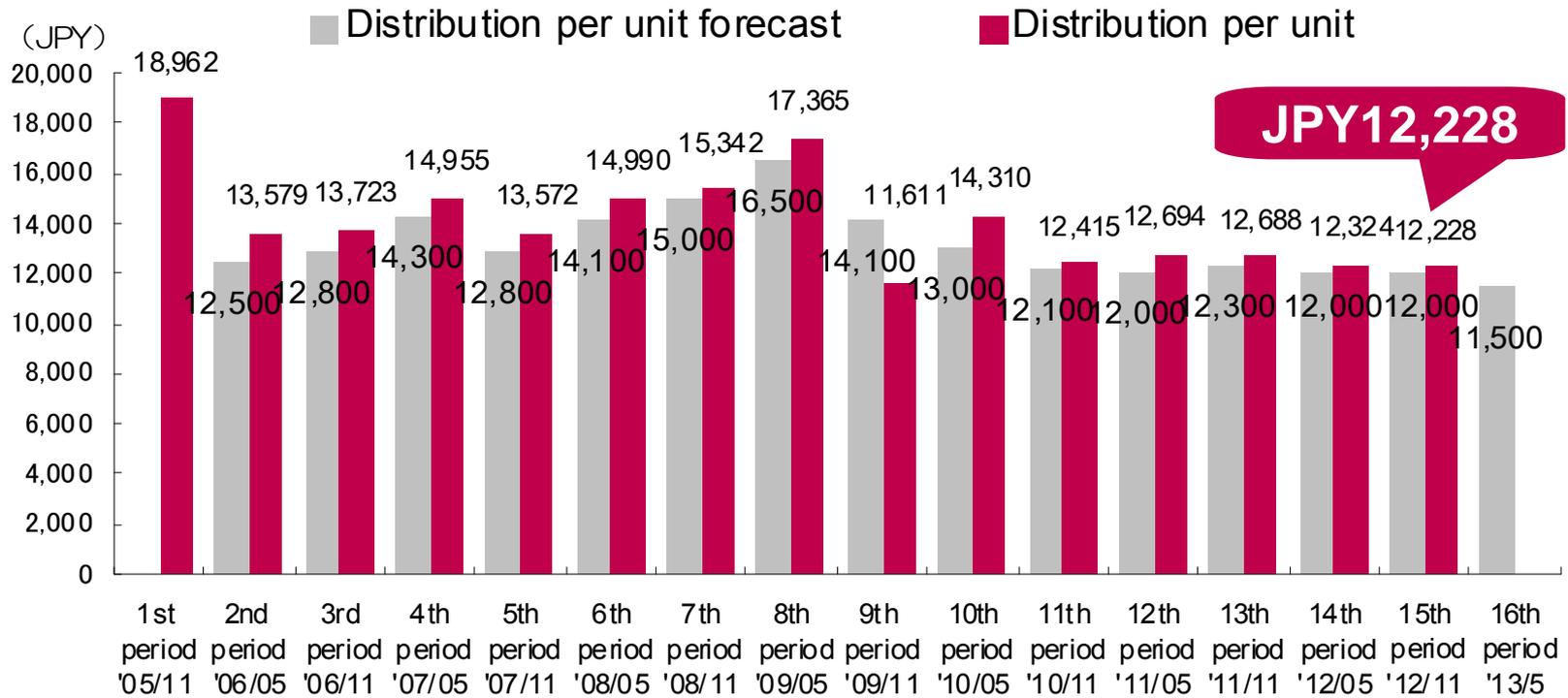
Stable occupancy rates maintained since 1st fiscal period



(Note) Figures indicate the values at the end of each fiscal period.



2-3. Trends of Distribution per Unit



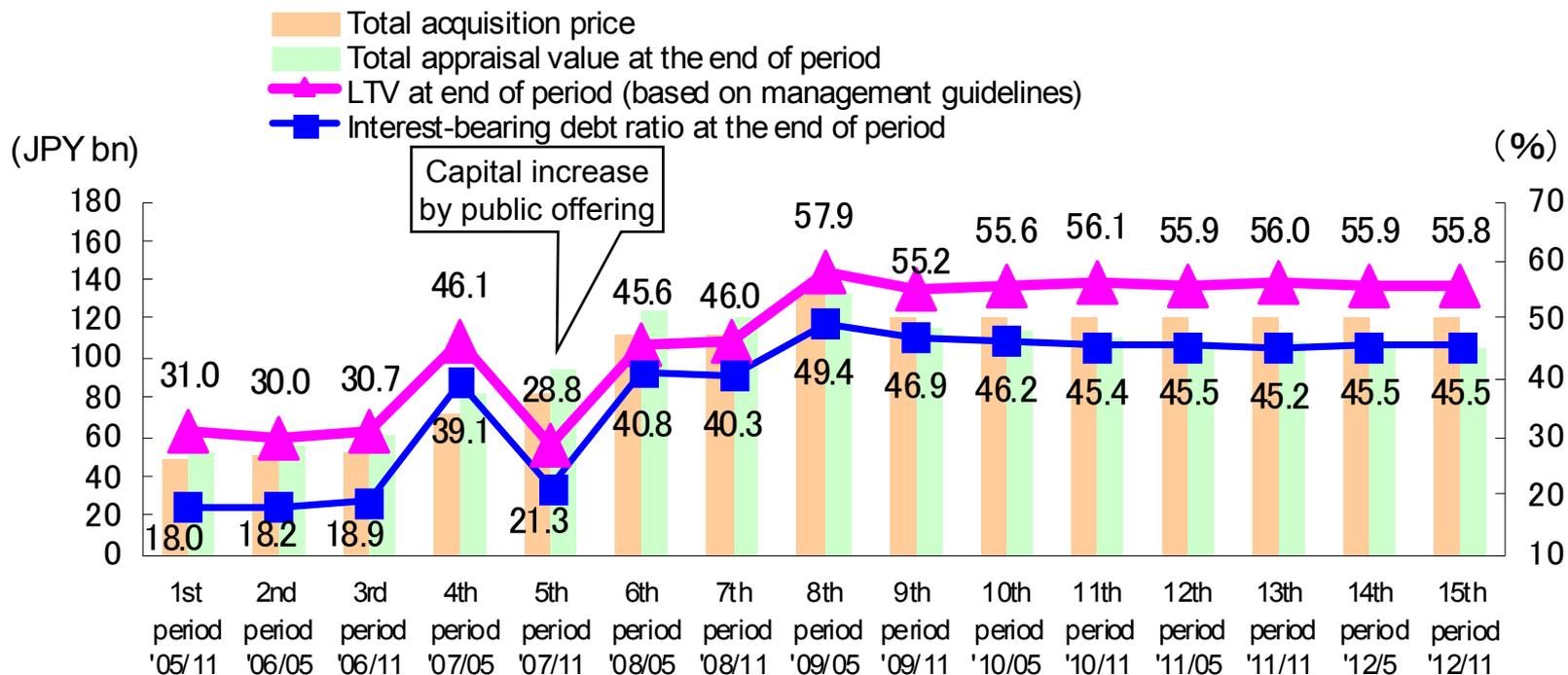
JPY 12,228

Irregular period (303 days)

(Compared with 15th fiscal period forecast)

- Increase in operating income: JPY 11mn
- (Operating revenues increased by JPY 8 mn, reduction of JPY 2 mn in lease operating costs, etc.)
- Improvement in non-operating profit or loss: JPY 7 mn
- (Decrease of JPY 3 mn in interest expenses, etc.)

2-4. Asset Scale and LTV (Loan to Value)



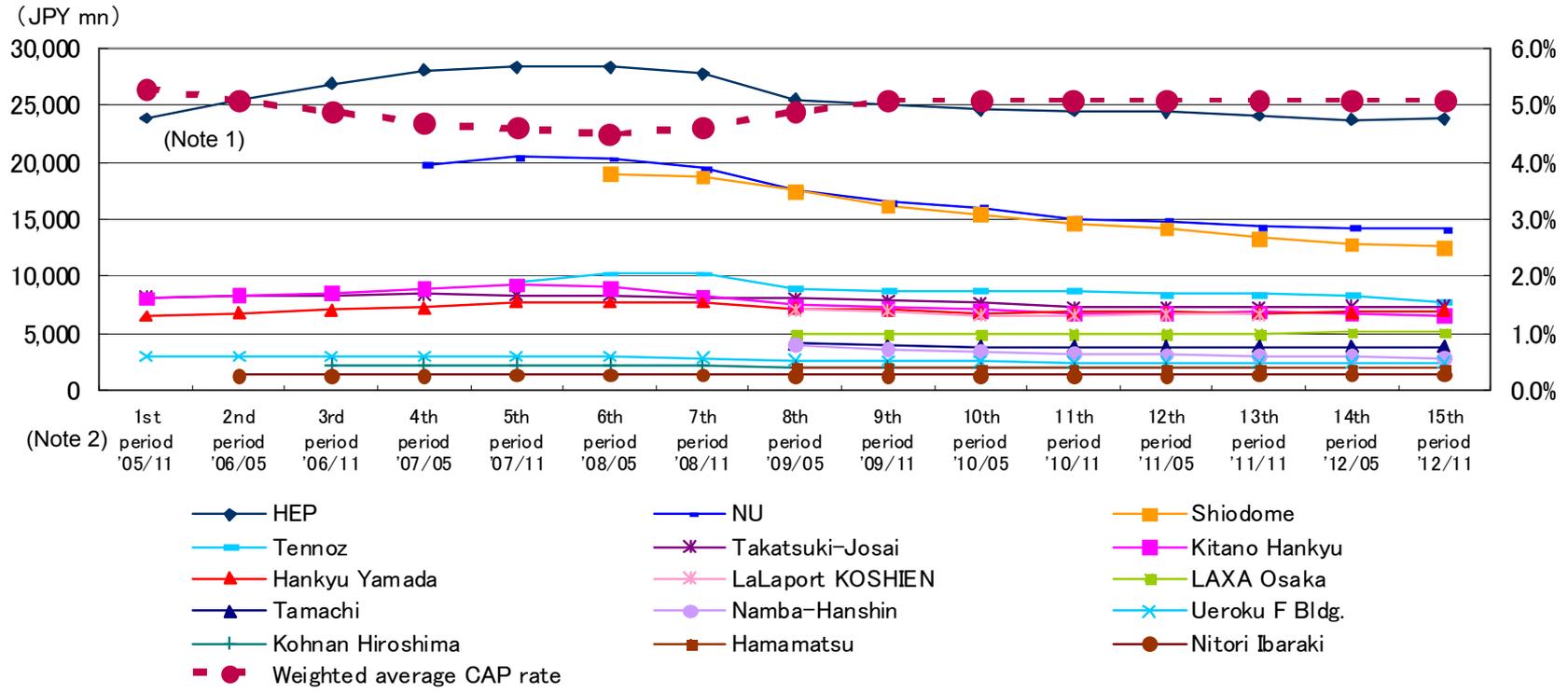
Number of Properties

5	6	7	8	9	11	11	16	15	15	15	15	15	15	15
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LTV is generally stable



Appraisal value down by 1.0% Signs of CAP rate decline



(Note 1) In the 9th fiscal period (November 27, 2009), as 10% of the quasi co-ownership (equity ratio of 50%) of the trust beneficiary interests was transferred, the comparison is based on an equity ratio of 45%. For comparison purposes, appraisal values are shown for the ends of the 1st to the 8th fiscal periods calculated at an equity ratio of 45%.

(Note 2) Figures show the values at the end of each fiscal period.

2-6. Appraisal Value ②

(Unit : JPY mn)

	Acquisition price	① End of previous period (14th fiscal period-end)	Cap rate	② End of current period (15th fiscal period-end)	Cap rate	Change (②-①)	Change (②-①)/①	③ Value recorded on the balance sheet at end of current period	Unrealized income/loss ②-③	Value to book ratio ②/③
HEP Five (45% of the quasi co-ownership of the trust beneficiary interests)	20,790	23,760	4.5%	23,895	4.5%	135	0.6%	19,007	4,887	125.7%
Kitano Hankyu Building	7,740	6,810	5.6%	6,650	5.6%	-160	-2.3%	7,773	-1,123	85.5%
Dew Hankyu Yamada	6,930	6,900	5.5%	7,000	5.5%	100	1.4%	6,009	990	116.5%
Takatsuki-Josai Shopping Center	8,600	7,371	5.8%	7,371	5.8%	0	0.0%	7,734	-363	95.3%
Ueroku F Building	2,980	2,470	6.0%	2,470	6.0%	0	0.0%	2,831	-361	87.2%
Nitori Ibaraki-Kita Store (Site)	1,318	1,392	6.7%	1,414	6.5%	22	1.6%	1,340	73	105.5%
Kohnan Hiroshima Nakano-Higashi Store (Site)	2,175	1,980	6.7%	1,910	6.7%	-70	-3.5%	2,280	-370	83.8%
N _U chayamachi	19,300	14,300	4.8%	14,200	4.8%	-100	-0.7%	17,682	-3,482	80.3%
Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary)	9,405	8,382	4.6%	7,788	4.6%	-594	-7.1%	8,771	-983	88.8%
Shiodome East Side Bldg.	19,025	12,800	4.8%	12,600	4.8%	-200	-1.6%	18,316	-5,716	68.8%
Hotel Gracery Tamachi	4,160	3,860	5.4%	3,860	5.4%	0	0.0%	3,996	-136	96.6%
LAXA Osaka	5,122	5,100	5.9%	5,110	5.9%	10	0.2%	4,786	323	106.8%
LaLaport KOSHIEN (site)	7,350	6,710	5.0%	6,710	5.0%	0	0.0%	7,748	-1,038	86.6%
Namba-Hanshin Building	4,310	3,030	5.5%	2,860	5.5%	-170	-5.6%	4,045	-1,185	70.7%
Richmond Hotel Hamamatsu	2,100	1,952	6.3%	1,952	6.3%	0	0.0%	1,789	162	109.1%
Total	121,306	106,817	5.1%	105,790	5.1%	-1,027	-1.0%	114,115	-8,325	92.7%

The cap rate is based on the direct capitalization method used for appraisal value calculations. (Nitori Ibaraki-Kita Store (site), Kohnan Hiroshima Nakano-Higashi Store (site) and LaLaport KOSHIEN (site) are allocated a discount rate using the DCF method.)

The portfolio total is the weighted average cap rate based on appraisal values.

Future Growth Strategies and Management Policies

Distribution Policies

Implement management that emphasizes on stability of dividends in medium- to long-term

Collaborate with sponsor group and aim to realize measures to improve portfolio earning power.

External Growth Strategies

Portfolio growth and improvement by utilizing the strength of Hankyu Hanshin Group

Improve existing portfolio by considering measures such as replacing properties with declining earning power, and aim to recover to a growth path.

Internal Growth Strategies

Deepening operational management

Aiming to bottom out and turn around revenues by supporting each facility in details such as proactively replacing retail tenants with stagnant sales while maintaining high occupancy by establishing good relationships with the tenants.

Financial Strategies

Implementation of Stable Financial Operations and LTV Controls

Realize steady refinancing, diversification of debt repayment dates and reduction of debt financing costs by reinforcing cooperation with financial institutions, and aim to stabilize the financial foundation.

Strategy Goals

- Distributions will be set at **JPY 12,000 or more on on-going basis**, and aim for further build up.
- Realize return to growth path through portfolio improvement, and aim for growth and expansion of portfolio properties.

3-1. Property Information

Network of the Hankyu Hanshin Holdings Group

Preferential Negotiation Rights

We hold preferential negotiation rights with Hankyu Corporation, Hankyu Realty Co., Ltd. and Hankyu Investment Partners, Inc.



Hankyu REIT Asset Management's Own Network

We obtain highly accurate information by directly approaching general companies and distributors

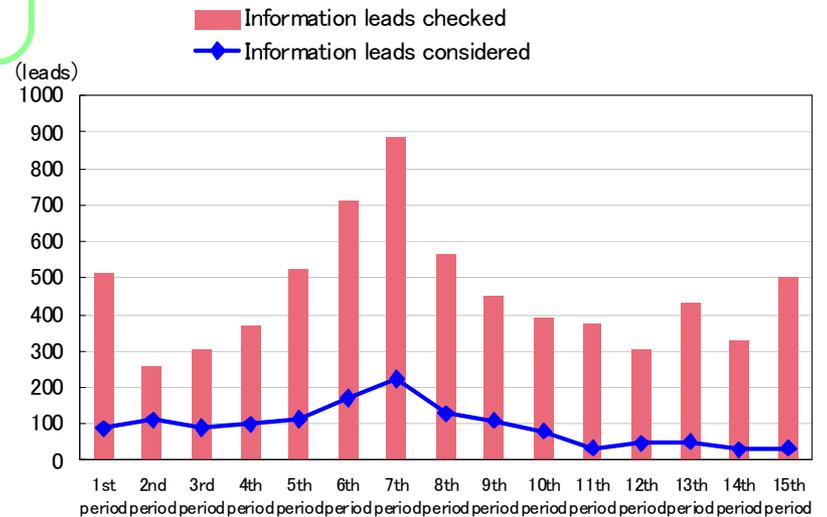


Hankyu REIT, Inc.

We aim to achieve sustained growth by utilizing the information sourcing capabilities and network of the Hankyu Hanshin Holdings Group that has deeply rooted connections in the community.

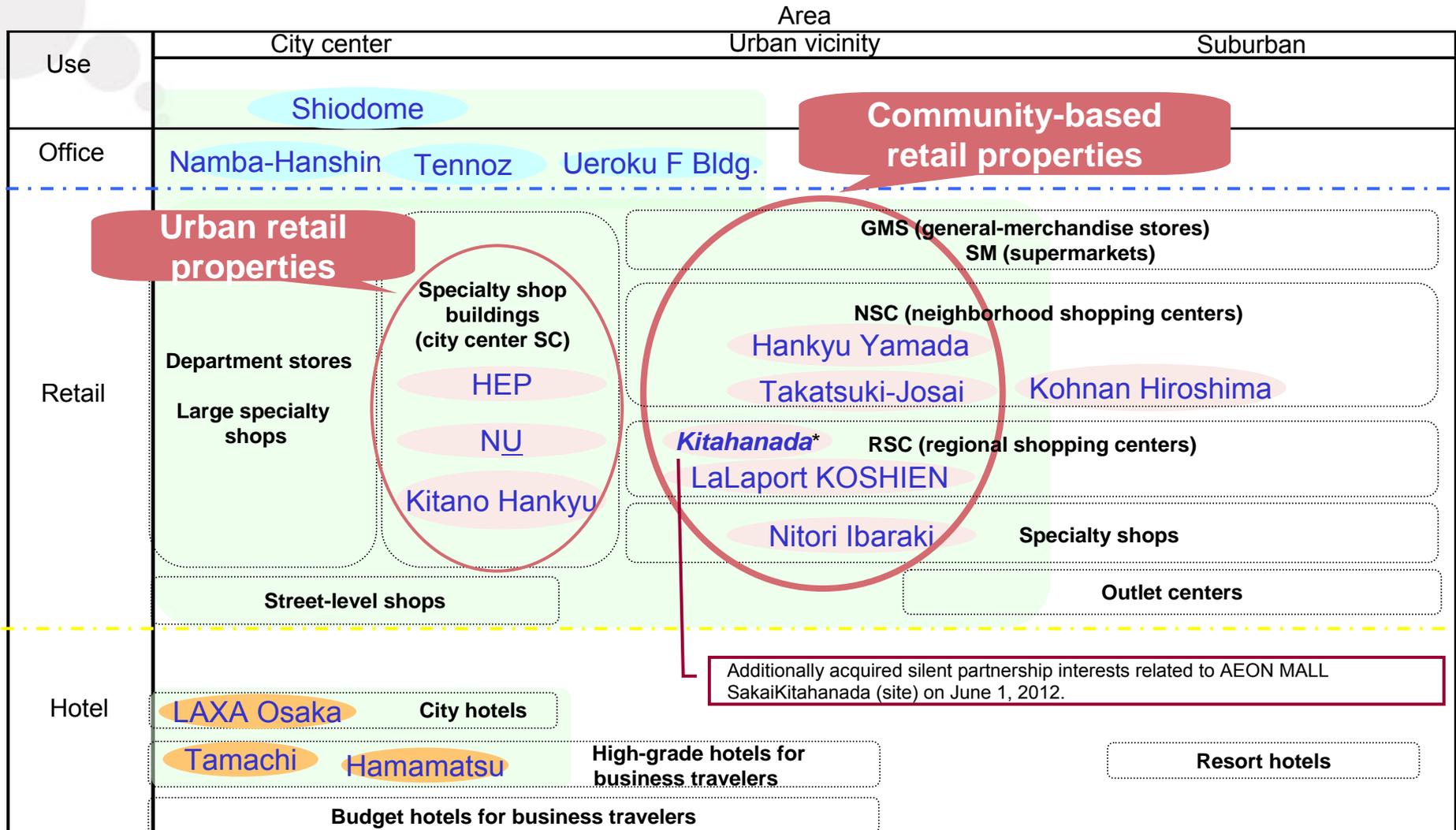
81% of acquisitions
(11 properties)
acquired through
the sponsor pipeline

Trend of information leads





3-2. Property Acquisition Policy for Future



Additionally acquired silent partnership interests related to AEON MALL SakaiKitahanada (site) on June 1, 2012.



Primary investment target zone

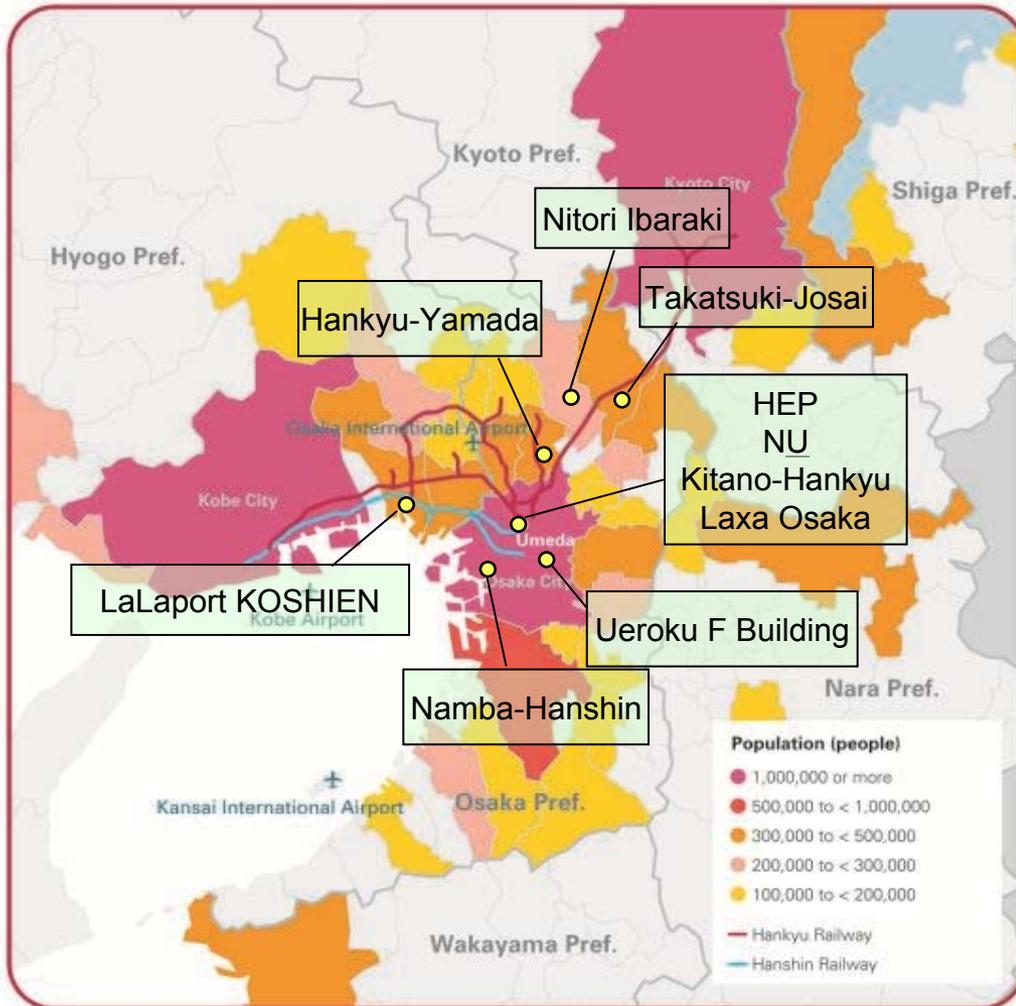


Focal investment zone of retail properties

Focus on community-based retail properties



- Concentration of population will heighten due to return of population to central city and urban vicinity
- Retail properties of Hankyu REIT are located in most populous municipal regions



Population of Kansai is about 20.61 million.

Osaka Prefecture: about 8.70 million
 Of which, **62% reside in the top 7 municipal regions**
 (population of 300,000 or more) including Osaka City

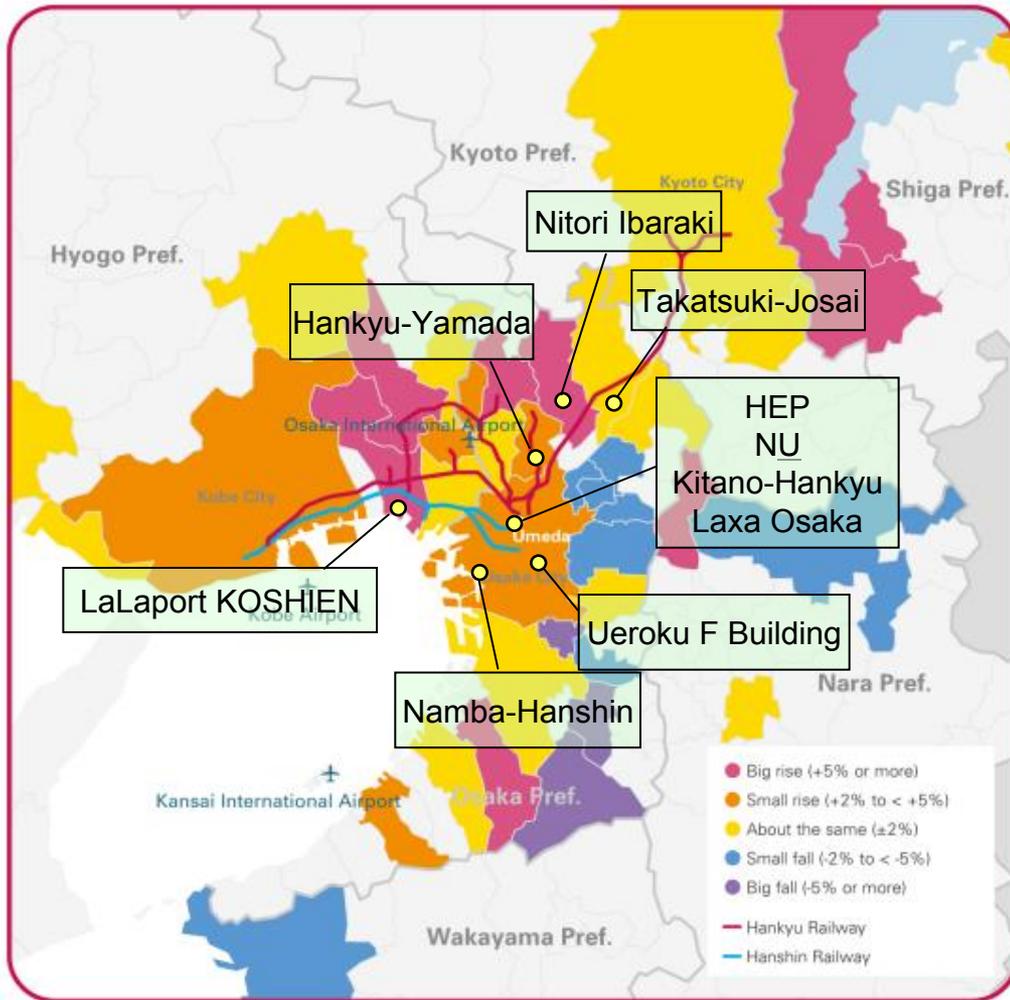
Hyogo Prefecture: about 5.60 million
 Of which, **68% reside in the top 7 municipal regions**
 (population of 200,000 or more) including Kobe City

Source: Japan Geographic Data Center
 "Population Summary of the Basic Resident Registers" (2012)

<Populations as of March 31, 2012 of municipal regions with populations of 100,000 or more>



- Population is clearly resurging in central city and urban vicinity
- Populations of Umeda and municipal regions along Hankyu/Hanshin Lines are rising



Though Kansai population fell slightly at -0.1% (10-year period), the population of city centers such as in Osaka City is +2.4%.

Polarization into areas that are either strong or not

Reason for differentiation:
High transportation convenience and high concentration of retail facilities

A plus to the profitability and stability of Hankyu REIT retail facilities

Source: Japan Geographic Data Center
 "Population Summary of the Basic Resident Registers"
 (2002, 2012)

<10-year population rise/fall in municipal regions with populations of 100,000 or more>

Result of Most Desired City to Live

Survey by condominium developer MAJOR7

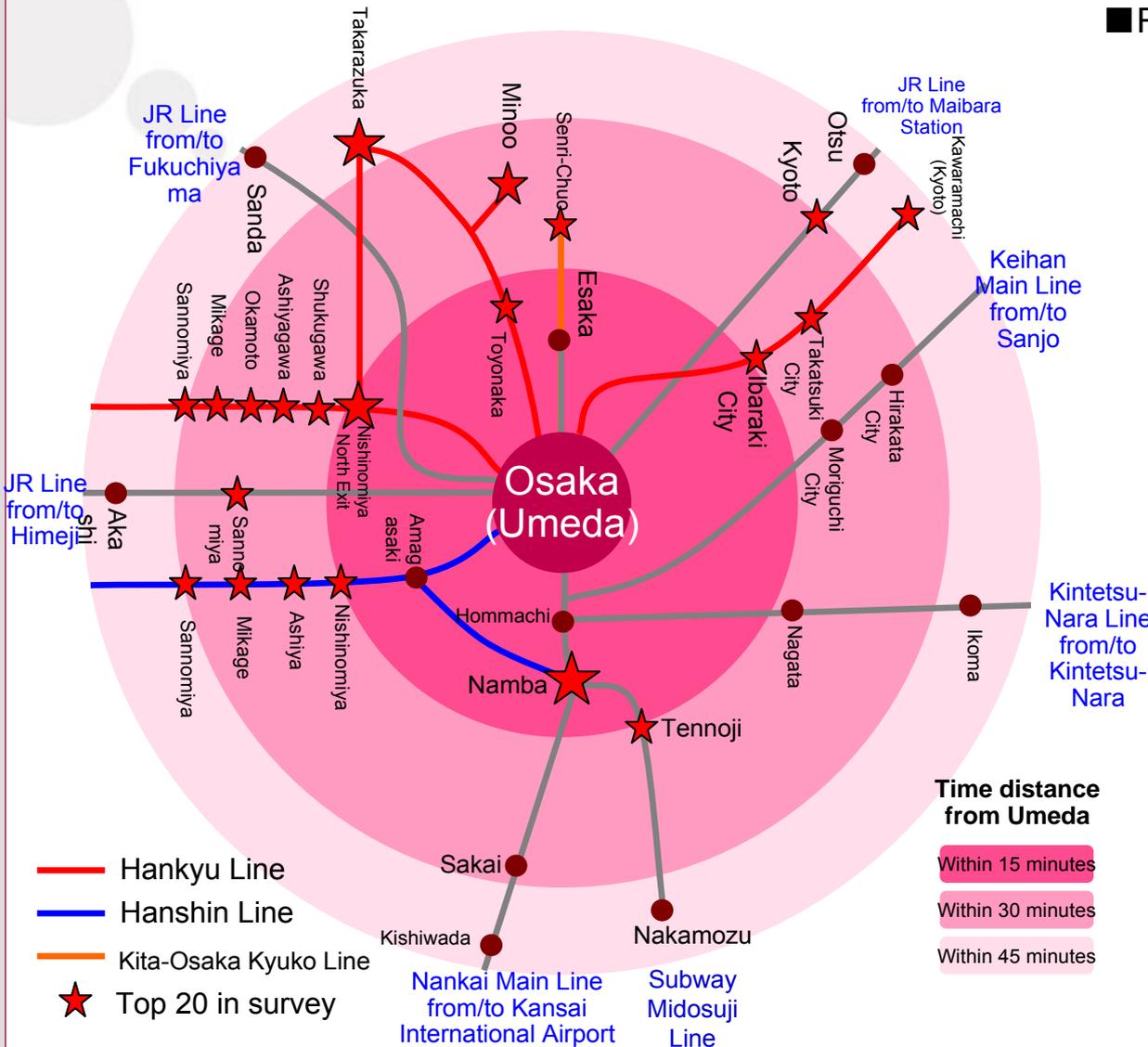
(Released September 2012)

Ranking	Name	(City/Prefecture)
1	Ashiya	(Ashiya/Hyogo)
2	Nishinomiya	(Nishinomiya/Hyogo)
3	Shukugawa	(Nishinomiya/Hyogo)
4	Kobe	(Kobe/Hyogo)
5	Okamoto	(Kobe/Hyogo)
6	Umeda	(Osaka/Osaka)
7	Kyoto	(Kyoto/Kyoto)
8	Senri-chuo	(Toyonaka/Osaka)
9	Sannomiya	(Kobe/Hyogo)
10	Osaka	(Osaka/Osaka)
11	Mikage	(Kobe/Hyogo)
12	Within Osaka city	(Osaka/Osaka)
13	Within Kobe city	(Kobe/Hyogo)
14	Takatsuki	(Takatsuki/Osaka)
15	Namba	(Osaka/Osaka)
15	Tennoji	(Osaka/Osaka)
17	Ibaraki	(Ibaraki/Osaka)
18	Takarazuka	(Takarazuka/Hyogo)
19	Toyonaka	(Toyonaka/Osaka)
20	Minoo	(Minoo/Osaka)

are in regions along the Hankyu and Hanshin lines

Regions along Hankyu and Hanshin Lines/

Regions with stations of Hankyu Corporation, Hanshin Electric Railway, Kita-Osaka Kyuko Railway, Nose Electric Railway and Kobe Rapid Transit Railway



Time distance from Umeda

- Within 15 minutes
- Within 30 minutes
- Within 45 minutes

- Hankyu Line
- Hanshin Line
- Kita-Osaka Kyuko Line
- ★ Top 20 in survey

- Most Desired City to Live Survey (Kansai Region)'s higher rank was nearly exclusive to regions along the Hankyu and Hanshin Lines. Among that, regions along Hankyu Kobe Line such as Ashiya, Nishinomiya and Shukugawa are particularly popular.
- Popular areas are concentrated in the time distance of within 30 minutes from Umeda, and the increasing population trend within the popular areas continue.

Use	Area								
	City center			Urban vicinity			Suburban		
Office	7	2 47	5	4	15	2	0	0	0
Multi-used	1 10	20	5	1	15	1	0	0	0
Retail	2	4 16	5	9 23	6 33	3 18	3	1	5
Hotel	3	1	7	3	8	6	0	0	1
Others	10	1 50	10	6 23	97	1 18	1	6	19

*Outer circle: Information leads Inner circle: Leads actually considered



Kansai region (Osaka, Kyoto, Hyogo, Nara, Shiga, Wakayama)



Tokyo metropolitan area (Tokyo, Kanagawa, Saitama, Chiba)

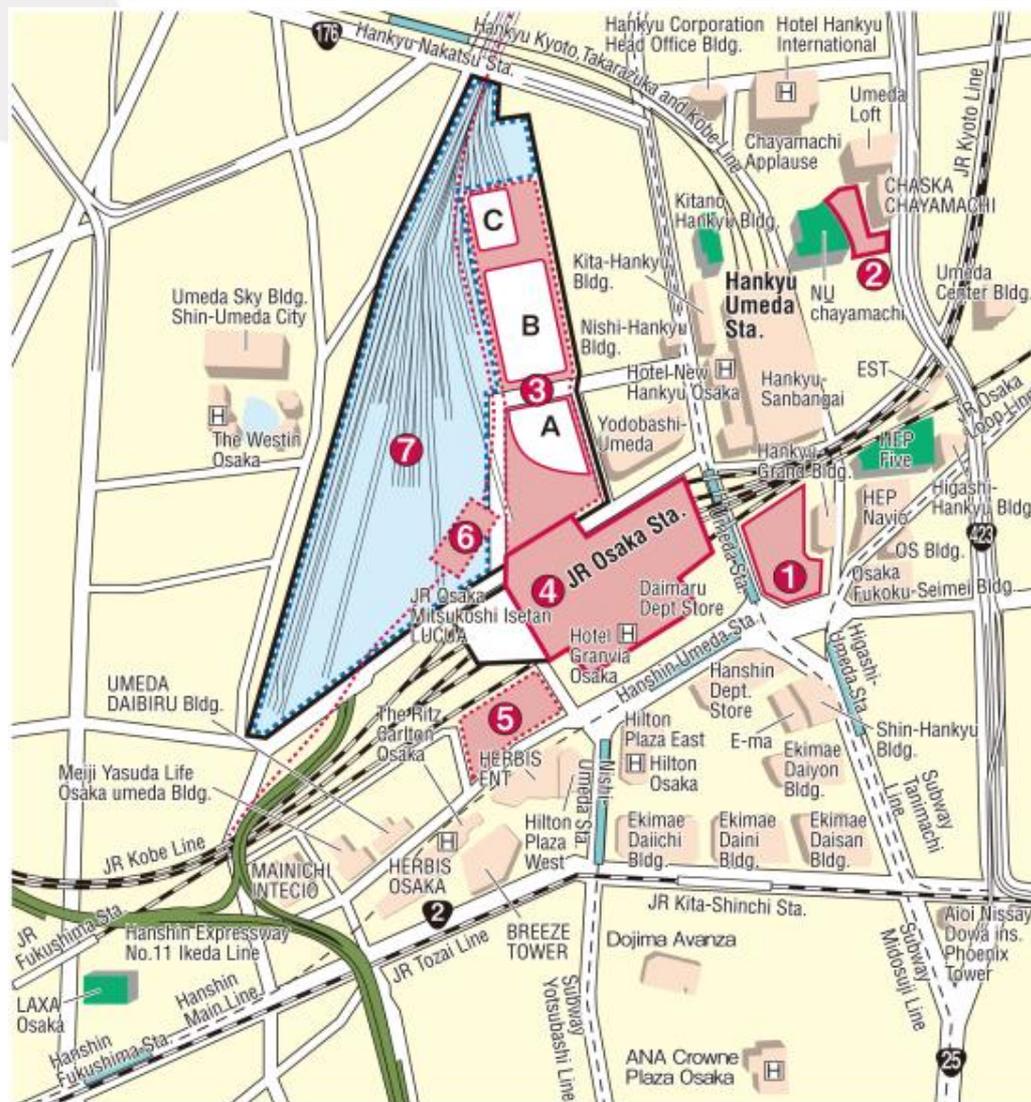


Other areas

Leads considered were primarily community-based retail properties in the Kansai region and Tokyo metropolitan area

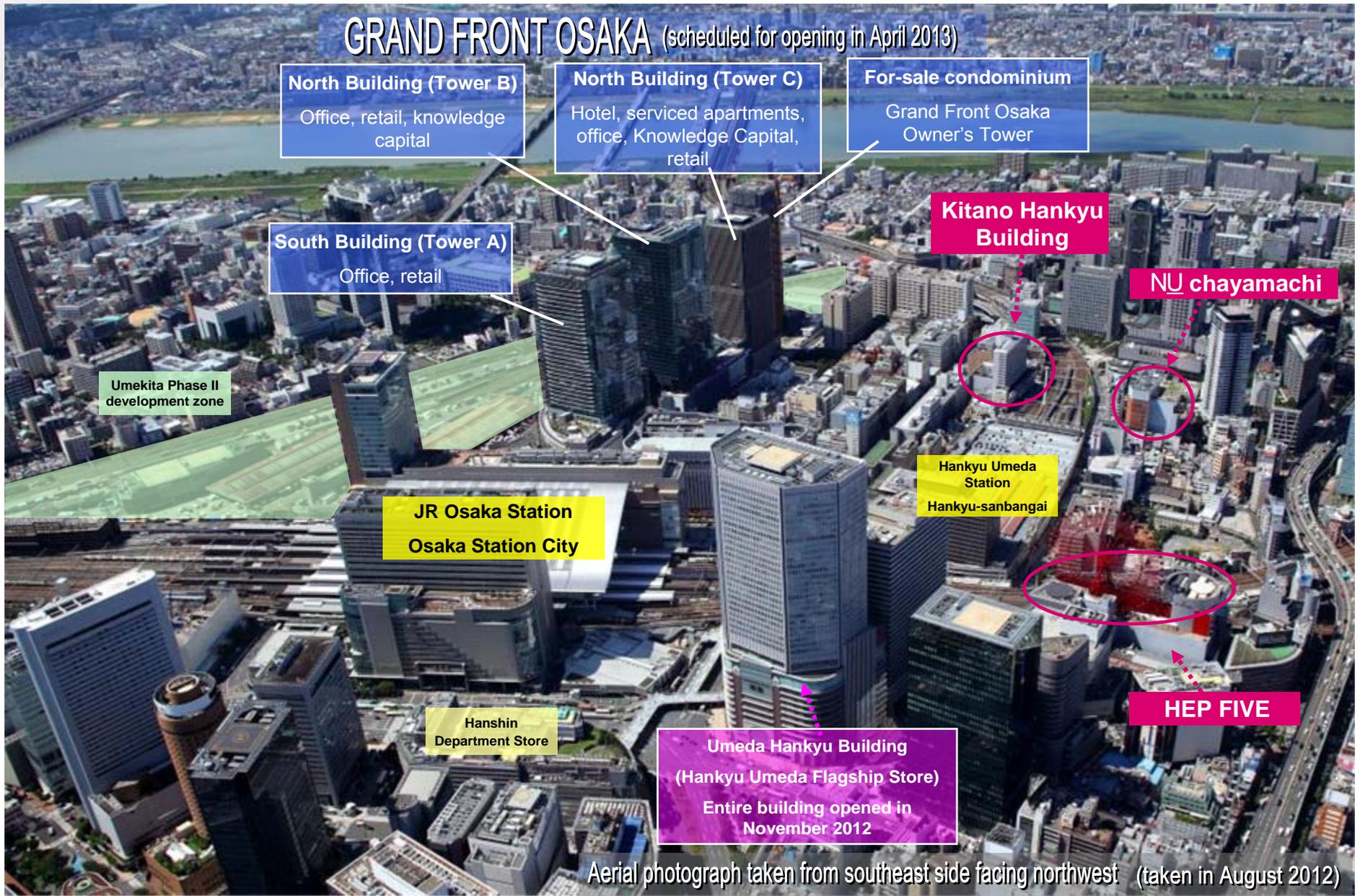


4. Development Trends in the Umeda Area



* (dotted line) Property under development
 (solid line) Project in operation for less than 2 years
 (green line) Owned property

- (1) Rebuilding of Umeda Hankyu Building
 Office wing on upper floors opened in May 2010
 Entire building of Hankyu Umeda Flagship Store opened in November 2012
 Hankyu Corporation (department store, offices, etc.)
- (2) NU chayamachi Plus (opened in April 2011)
 Hankyu Corporation (chief right holder) (retail stores, residences, schools, etc.)
- (3) GRAND FRONT OSAKA (Umekita Phase I)
 Began construction in March 2010
 Scheduled completion in spring 2013
- [A]South Building (Tower A): Office
 (Lower floors): Retail (shops and restaurants)
 Panasonic Center Osaka
- [B]North Building (Tower B): Office
 (Tower C): Hotel, service apartments, office
 (Lower floors): Knowledge Capital
 Retail (shops and restaurants)
- [C]For-sale condominium: Grand Front Osaka Owner's Tower
 Corporate Group: Mitsubishi Estate Co., Ltd., ORIX Real Estate Corporation, Sekisui House, Ltd., Hankyu Corporation, etc.
- (4) OSAKA STATION CITY
 SOUTH GATE BUILDING (opened in March, 2011)
 NORTH GATE BUILDING (opened in May, 2011)
 Station area, open space areas
 West Japan Railway Company, Osaka Terminal Bldg. Co., Ltd.
 (department store, retail stores, offices, etc.)
- (5) Collaborative urban development for Osaka Ekimae
 Japan Post Holdings Co., Ltd., West Japan Railway Company
 (offices, theater, retail stores, etc.)
- (6) A branch line to JR Tokaido Line and a new station (planned)
- (7) Umekita Phase II development zone



Aerial photograph taken from southeast side facing northwest (taken in August 2012)

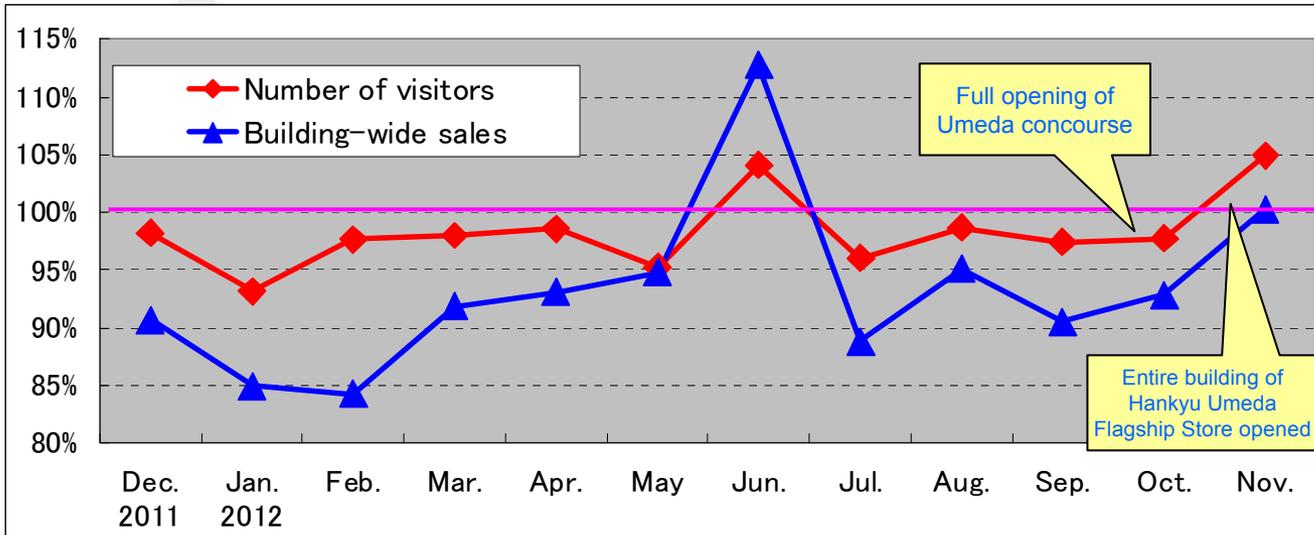


The “Hankyu Umeda Honten-mae Concourse” (passage), which had been under renovation since 2006 associated with the rebuilding of the Hankyu Umeda Flagship Store, was fully opened on October 20, 2012.

The opening of the concourse has drastically improved the access route from JR Osaka Station for HEP FIVE, and significantly enhanced the navigability and convenience of the Umeda area.

Combined with the positive impact of the opening of the Hankyu Umeda Flagship Store, which opened entirely on November 21, it allows expectations for the ripple effect on HEP FIVE and an increase in customers visiting it.

Monthly Operation Results of HEP FIVE for the 14th and 15th Fiscal Periods (year-on-year comparison)



Visitors coming to bargain sales at HEP FIVE

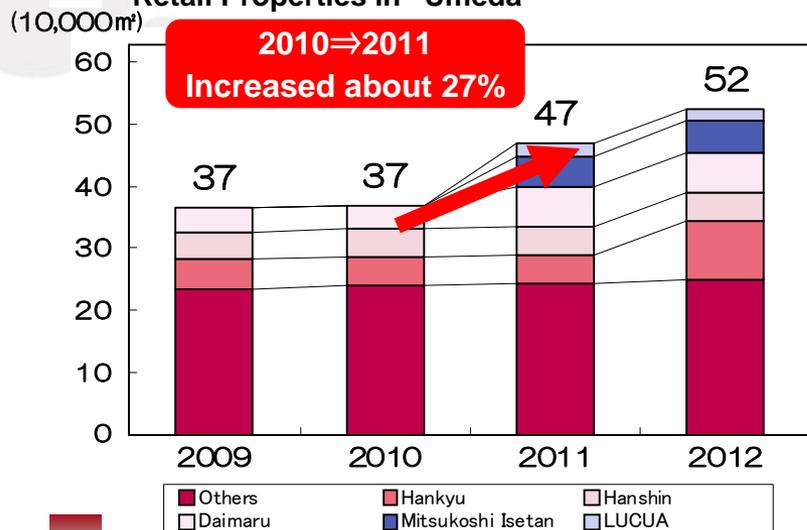
- Number of visitors and building-wide sales at HEP FIVE in November 2012 increased by more than 100% year-on-year**

The full opening of the Hankyu Umeda Honten-mae Concourse in October and the opening of the entire building of Hankyu Umeda Flagship Store in November have generated synergy effects to the entire area, with new retail properties in central Umeda serving as a core, including the “inflow effect” in which people flow into Umeda from wider areas in the Kansai region and the “penetration” effect in which people flow out from Umeda to neighboring retail properties.

- Monthly number of visitors to HEP FIVE (year-on-year comparison)**

October: 98% ⇒ November: 105%

Changes in Retail Floor Area of Major Large-Scale Retail Properties in "Umeda"



Opening of Large Retail Properties in "Umeda"

【Fiscal 2011】		(Retail floor area)
Apr.	Floor space increase at Daimaru Umeda (existing floor area: approx. 40,000m²)	Approx. 24,000m²
Apr.	NU chayamachi Plus	Approx. 3,000m²
May	JR Osaka Mitsukoshi Isetan LUCUA	Approx. 50,000m² Approx. 20,000m²
【Fiscal 2012】		
Oct.	EKI MARCHE OSAKA	Approx. 4,000m²
Nov.	Hankyu Umeda Flagship Store (rebuilt)	Approx. 80,000 m² (before rebuilding: 61,000m²)
【Fiscal 2013 (planned)】		
Apr.	GRAND FRONT OSAKA	Approx. 44,000m²

Changes in Sales of Department Stores, etc. in "Umeda"

(JPY mn)

Year	2009	2010	2011
Daimaru Umeda	54,085	37,286	61,781
Year-on-year comparison		68.9%	165.7%
Hankyu Umeda Flagship Store	144,075	131,087	124,458
Year-on-year comparison		91.0%	94.9%
Hanshin Umeda Main Store	92,185	96,045	92,350
Year-on-year comparison		104.2%	96.2%
JR Osaka Mitsukoshi Isetan	-	-	31,000
Year-on-year comparison			-
LUCUA	-	-	34,000
Year-on-year comparison			-
Total	290,345	264,418	343,589
Year-on-year comparison of total amount		91.1%	129.9%

Given the consecutive opening of department stores and large-scale retail properties in Osaka City (particularly the Umeda area), it was initially worried that sales of respective stores would drop sharply due to saturation as a result of oversupply (the 2011 problem in Osaka).

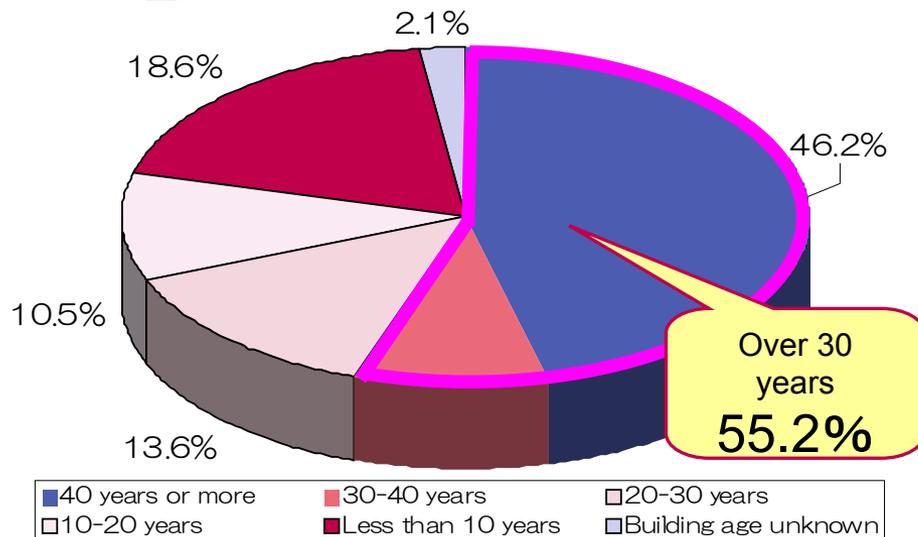
Sales of existing department stores (Hankyu and Hanshin department stores) decreased by only around 4 – 5% despite the impact of the opening of JR Osaka Mitsukoshi Isetan and LUCUA.

Source: Prepared by Hankyu REIT Asset Management based on various disclosure materials and other information

The Umeda area will further expand and grow, attracting and drawing customers from neighboring

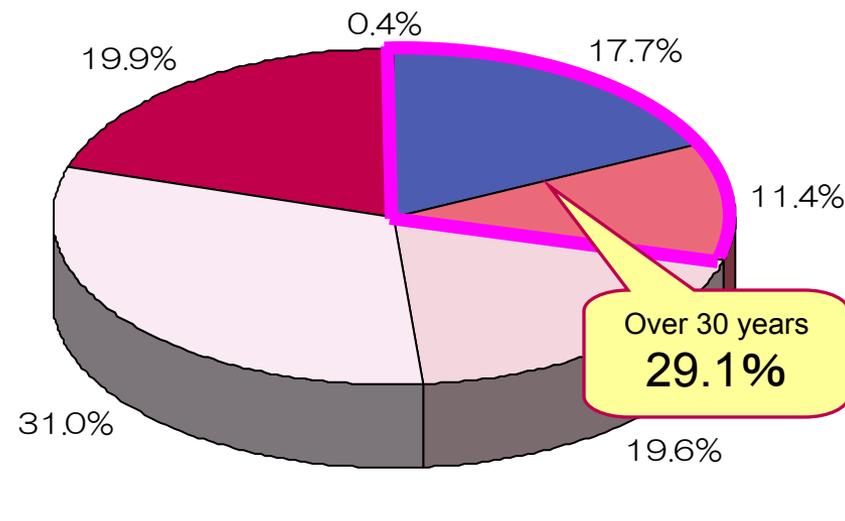


Yodoyabashi and Honmachi Area



Source: National Office Building Survey at End of December 2010 by Japan Real Estate Institute

Umeda Area



In addition, the office building (NORTH GATE BUILDING) (approx. 20,000m² (Note 1)) of OSAKA STATION CITY was opened in 2011, and GRAND FRONT OSAKA (approx. 230,000m² (Note 1)) will be opened in 2013.

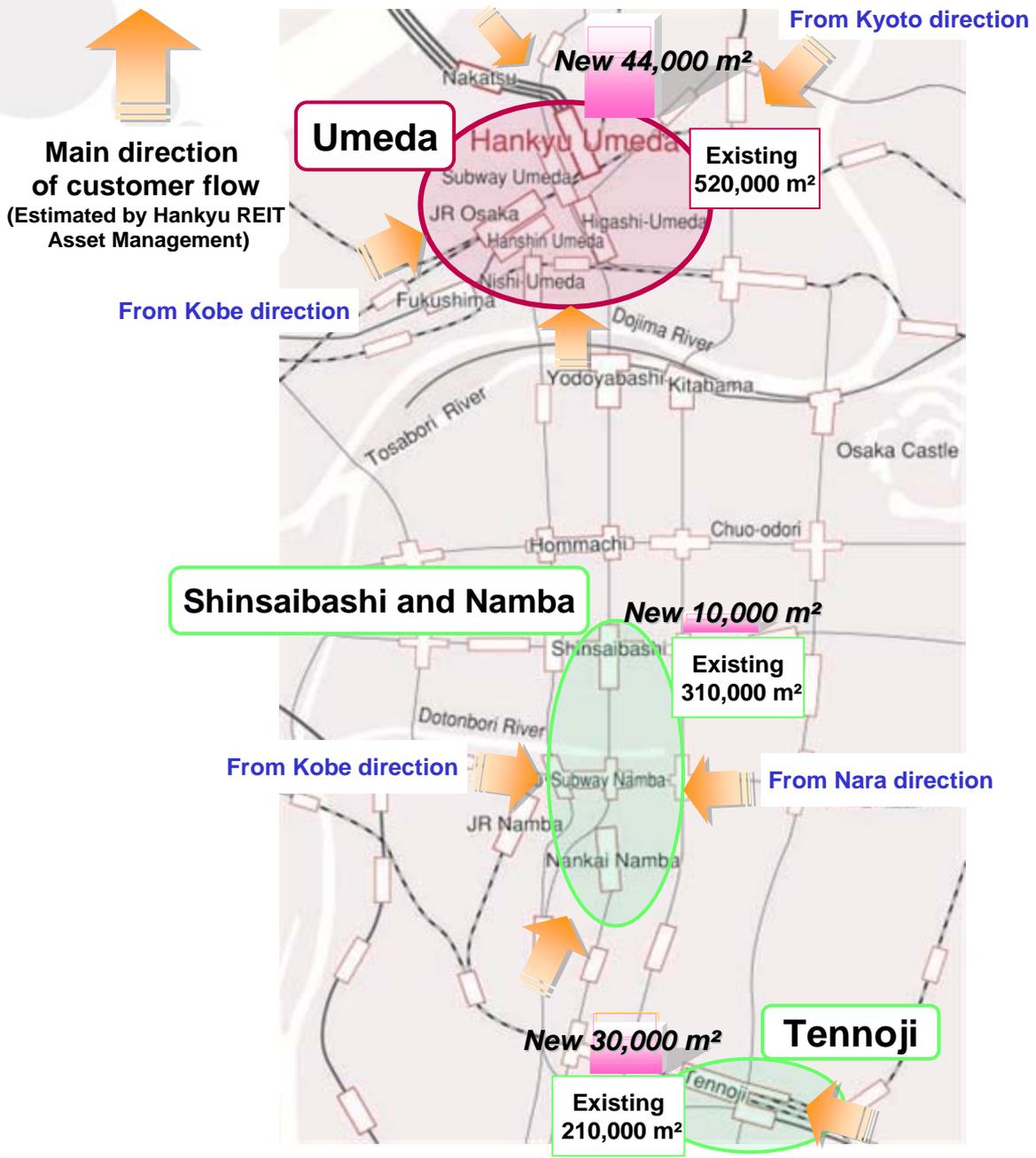
(Note 1) Area of office spaces

*The above figures represent total floor area

Buildings in the Yodoyabashi and Honmachi Area, the conventional business center, are becoming notably old



Shift to the "Umeda area," which has many newly-built (high-specification) properties, is getting accelerated



Floor area of new development: Approx. 85,000 m²
(Retail floor area in new properties between January 2013 and 2015)

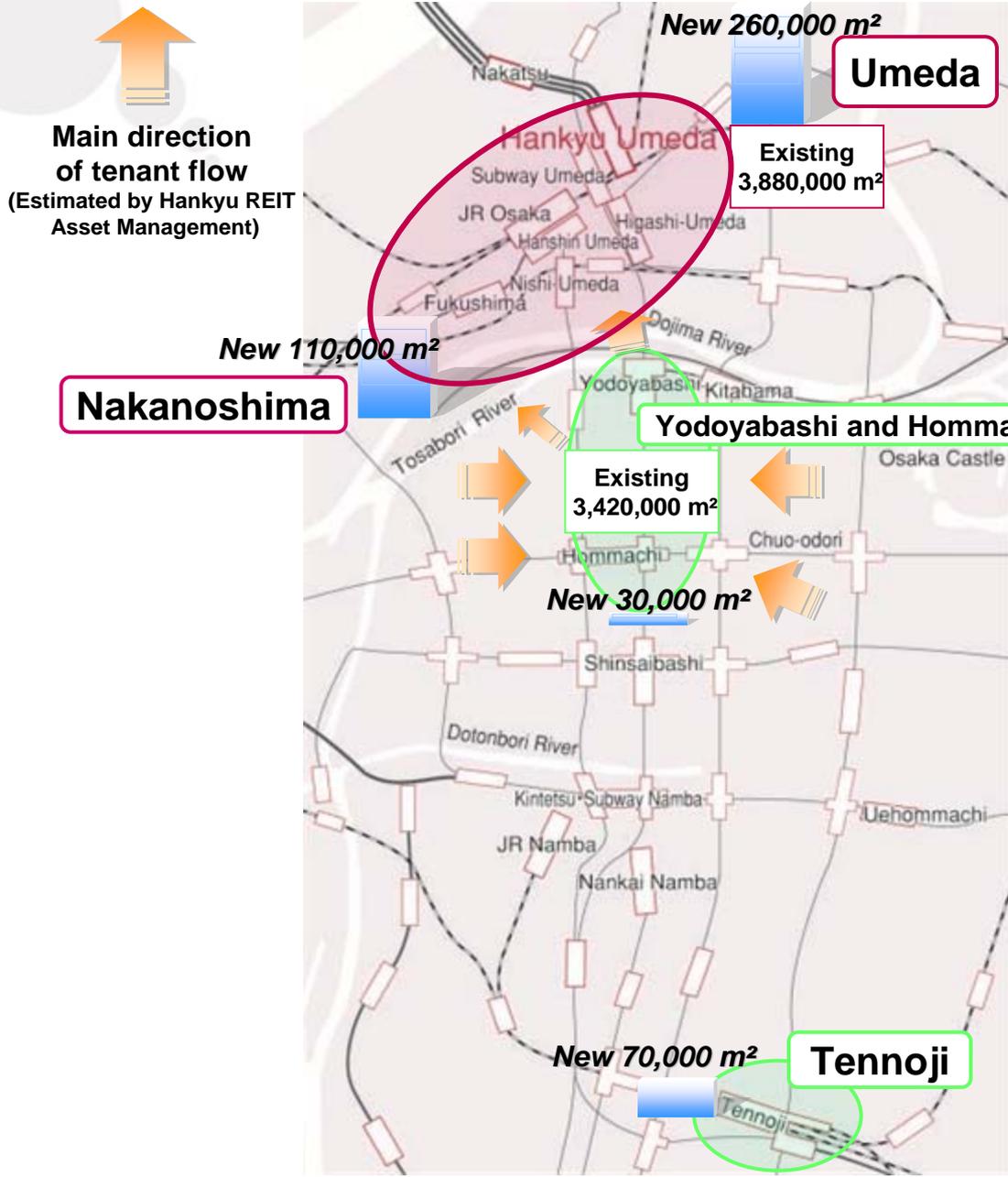
Equivalent to 8.1% of existing property floor area
(Total floor area of large-scale retail properties in 3 main areas: 1,050,000 m²)

In the Umeda area, Grand Front Osaka (retail floor area: 44,000 m²) **is scheduled to open in spring 2013.**

In the Umeda area, fresh demand is expected due to the new supply of office buildings, hotels and residential buildings in the area, and opening of high-profile facilities are expected to boost attractiveness and draw customers from wider areas.

In order to tap into the increasing demands of customers in the Umeda area, Hankyu REIT plans to collaborate with the Hankyu Hanshin Holdings Group to boost the attractiveness of its retail properties more effectively on an ongoing basis.

*Prepared by Hankyu REIT Asset Management based on various disclosure materials and other information.



Floor area of new supply:
Approx. 470,000 m²
(Total floor area scheduled for completion between January 2013 and 2015)

Equivalent to 4.1% of existing building floor area
(Floor area in main areas: 11,270,000 m²)

In the Umeda area, **Grand Front Osaka** (retail floor area: 23,000 m²) is scheduled to open in spring 2013.

Centering on the Umeda and Nakanoshima areas, **large and high-spec buildings (S class) in strong areas** of Osaka will be continuously supplied.

Promotion of **rejuvenation in the Osaka office market and concentration of city functions.**

Keyword is **“polarization”** (companies moving to Umeda include manufacturers, trading companies, and audit firms).

*Prepared by Hankyu REIT Asset Management based on various disclosure materials and other information



5. Overview of Financial Results for the 15th Fiscal Period

(Unit:JPY mn)

Item	Forecast for 15th Fiscal Period① (as of Jul.13, 2013)	Results for 15th Fiscal Period ② (Jun.1, 2012 to Nov. 30, 2012)	Change ②-①
Operation period (days)	183	183	—
Operating revenues	4,727	4,736	8
Operating income	1,460	1,471	11
Ordinary income	1,026	1,045	19
Net income	1,024	1,044	19
Number of outstanding investment units at end of fiscal period (units)	85,400	85,400	—
Distribution per unit (JPY)	12,000	12,228	228
FFO per unit (JPY)	23,569	23,786	217

(Main factors for increase/decrease in profit)

① Contract breach fine associated with tenant replacement JPY 11 mn

② Decreased interest expenses JPY 3 mn

Income Statement

(Unit: JPY mn)

Item	14th Fiscal Period (Operation period:183 days) Dec. 1, 2011 to May.31, 2012		15h Fiscal Period (Operation period:183 days) Jun. 1, 2012 to Nov. 30, 2012		Change
	Amount	Percentage	Amount	Percentage	
	1. Operating revenues	4,772	100.0	4,736	
Lease operating revenues	4,754		4,700		
Distribution revenue of silent partnership	17		35		
2. Operating expenses	3,271	68.5	3,264	68.9	-7
Lease operating costs	2,904		2,892		
Asset management remuneration	275		274		
Officer remuneration	3		3		
Asset consignment remuneration	16		16		
Administrative agency remuneration	30		31		
Auditor remuneration	7		7		
Other operating expenses	32		38		
Operating income	1,501	31.5	1,471	31.1	-29
3. Non-operating revenues	2	0.1	6	0.1	3
Interest earned	0		0		
Other non-operating revenues	2		5		
4. Non-operating expenses	449	9.4	432	9.1	-17
Interest expenses	379		359		
Loan related expense	27		30		
Interest due on investment corporation bonds	38		37		
Amortization of investment corporation bond issuance costs	3		3		
Other expenses	1		1		
Ordinary income	1,054	22.1	1,045	22.1	-8
Pretax net income for current period	1,054		1,045		
Corporate, local and enterprise tax	1		1		
Adjustment for corporate tax, etc.	0		0		
Net income for current period	1,052	22.1	1,044	22.0	-8
Retained earnings carried forward from the previous period	0		0		
Unappropriated income for current period	1,052		1,044		

Lease operating revenues and costs

Breakdown: Refer to page 42 and 43

Occupancy rate at end of fiscal period: 99.0%

(Occupancy by end-tenants)

Cash Distribution Statement

(Unit: JPY thousand)

Item	14th Fiscal Period	15th Fiscal Period	Change
	Amount	Amount	Amount
Unappropriated income for current period	1,052,527	1,044,317	-8,209
Distributions	1,052,469	1,044,271	-8,198
(Distribution per unit (JPY))	(12,324)	(12,228)	(-96)
Retained earnings carried forward	57	46	-11

(Main factors of increase/decrease)

① Decrease in operating revenues

Decreased lease income (Tennoz, HEP etc.) JPY -86 mn
Increased utilities expense income JPY 32 mn

② Decrease in non-operating expenses

Decreased interest expenses JPY -19 mn

5-3. Balance Sheet

(Unit: JPY mn)

Item	14th Fiscal Period (as of May. 31, 2012)		15th Fiscal Period (as of Nov. 30, 2012)		Change Amount	Item	14th Fiscal Period (as of May. 31, 2012)		15th Fiscal Period (as of Nov. 30, 2012)		Change Amount
	Amount	Ratio (%)	Amount	Ratio (%)			Amount	Ratio (%)	Amount	Ratio (%)	
Assets						Liabilities					
I Current assets total	9,629	7.7	9,781	7.8	152	I Current liabilities total	16,383	13.1	11,454	9.2	-4,928
Currency and demand deposit	1,669		1,676			Operating accounts payable	217		340		
Currency and demand deposit in trust	7,437		7,672			Short term loans payable	6,500		6,000		
Operational income receivable	26		44			Long term loans payable (return within 1 year)	8,700		4,000		
Deposit paid	339		295			Accrued dividend	10		10		
Prepaid expense	154		90			Accrued expenses	185		166		
Deferred income tax assets	2		3			Income taxes payable	1		1		
II Fixed assets total	115,485	92.3	115,306	92.2	-179	Accrued consumption tax	46		42		
1. Tangible fixed assets						Advance received	447		475		
Buildings	2,236		2,174			Current deposit received	0		0		
Structures	300		284			Security deposits (return within 1 year)	274		417		
Tools, furniture and fixtures	1		1			II Total noncurrent liabilities	52,362	41.8	57,269	45.8	4,906
Land	7,938		7,938			Investment corporation bonds	6,000		6,000		
Buildings in trust	33,311		32,494			Long term loans payable	35,700		40,900		
Structures in trust	421		398			Security deposits	1,552		1,504		
Machinery and equipment in trust	196		181			Security deposits in trust	9,110		8,864		
Tools, furniture and fixtures in trust	74		67			Liabilities total	68,746	54.9	68,724	54.9	-22
Land in trust	69,613		69,613			Net assets					
Tangible fixed assets total	114,094	91.2	113,154	90.4	-940	I Unitholders capital	55,344	44.2	55,344	44.2	
2. Intangible fixed assets						II Total surplus	1,052	0.8	1,044	0.8	
Land leasehold	957		957			Unappropriated income for current period	1,052		1,044		
Others	5		4			Net assets total	56,397	45.1	56,389	45.1	-8
Intangible fixed assets total	962	0.8	961	0.8	-0						
3. Investments, other assets											
Investment securities	375		1,119								
Long-fiscal period prepaid expenses	43		60								
Guarantee money deposit	10		10								
Investment, other assets total	428	0.3	1,190	1.0	761						
III Total deferred assets	28	0.0	25	0.0	-3						
Investment corporation bond issuance costs	28		25								
Assets total	125,144	100.0	125,113	100.0	-30	Liabilities and net assets total	125,144	100.0	125,113	100.0	-30

Interest-bearing debt
JPY 56,900 mn

Total of security deposits/guarantees:
JPY 10,786mn

JPY 5,049 mn
was allocated for
property acquisitions



Item	14th Fiscal Period	15th Fiscal Period	Remarks
Operation period	183	183	14th fiscal period: Dec. 1, 2011 to May. 31, 2012 15th fiscal period: Jun. 1, 2012 to Nov. 30, 2012
Return On Assets (ROA)	0.8%	0.8%	Ordinary income / {(Total assets at beginning of period + Total assets at end of period) / 2 }
(per annum)	1.7%	1.7%	Calculated from duration of operation
Return On Equity (ROE)	1.9%	1.9%	Net income / {(Net assets at beginning of period + Net assets at end of period) / 2 }
(per annum)	3.7%	3.7%	Calculated from days of operation
Ratio of net assets at end of period	45.1%	45.1%	Net assets / Total assets
Loan To Value ratio at end of period (LTV)	55.9% (52.0%)	55.8% (51.9%)	(Amount of interest-bearing debt + Security deposits - Matched money to security deposits) / Total assets(*) - Matched money to security deposits *Appraisal-value basis (Ratios in brackets are based on book value)
Ratio of interest-bearing debts to total assets at end of period	45.5%	45.5%	Interest-bearing debt / Total assets
Debt Service Coverage Ratio (DSCR)	5.9times	6.1times	Pre-interest and pre-depreciation net income for current fiscal period / Interest expenses
Net Operating Income (NOI)	JPY 2,848 mn	JPY 2,794 mn	Net lease operating income + Depreciation
Funds From Operation (FFO)	JPY 2,050 mn	JPY 2,031 mn	Net income for current fiscal period + Depreciation

5-5. Income and Expenditure by Property ①

Hankyu REIT

(Unit: JPY mn)

Item	HEP Five (45% of the quasi co-ownership of the trust beneficiary interests)	Kitano Hankyu Bldg.	Dew Hankyu Yamada	Takatsuki- Josai SC	Nitori Ibaraki- Kita Store (site) (Note 1)	Kohnan Hiroshima Nakano- Higashi Store (site)	NU chayamachi	Hotel Gracery Tamachi	LaLaport KOSHIEN (site)	Richmond Hotel Hamamatsu (Note 1)
Number of operating days of 15th fiscal period	183	183	183	183	183	183	183	183	183	183
Lease operating revenues total	1,011	578	373	284		76	614	121	257	
Income from lease	820	385	251	283		76	462	116	257	
Utilities expense income	58	137	54	—		—	67	—	—	
Other incomes	132	54	66	0		0	85	4	0	
Lease operating costs total	629	401	223	139		7	513	54	106	
Property/Facility management fees	141	112	73	10		0	103	1	1	
Utilities expense	82	155	52	0		—	108	—	—	
Rent paid	7	0	1	21		—	0	—	0	
Advertising and promotion expenses	116	2	0	—		—	69	—	—	
Repair expense	18	7	1	1		—	6	—	—	
Nonlife insurance premium	3	2	1	0		—	2	0	0	
Tax and public dues	69	50	26	26		6	51	14	102	
Other expenses	25	1	3	0		—	2	0	1	
Depreciation	164	68	63	78		—	168	36	0	
Lease operating income	382	177	149	144		69	101	67	150	
NOI (Lease operating income + Depreciation)	546	246	213	223	60	69	270	103	150	65
Capital expenditure	3	4	0	—	—	—	8	0	—	—

(Note 1) Rent information is not disclosed as the consent of the tenant was not obtained.

5-5. Income and Expenditure by Property ②

(Unit: JPY mn)

Item	Shiodome East Side Bldg.	Ueroku F Bldg.	Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary interests)	LAXA Osaka	Namba-Hanshin Building	Item	Total (15 properties)
Number of operating days of 15th fiscal period	183	183	183	183	183	Number of operating days of 15th fiscal period	—
Lease operating revenues total	392	133	316	254	147	Lease operating revenues total	4,700
Income from lease	367	113	245	254	120	Income from lease	3,895
Utilities expense income	22	11	23	—	10	Utilities expense income	385
Other incomes	2	8	47	—	16	Other incomes	419
Lease operating costs total	195	85	189	161	123	Lease operating costs total	2,892
Property/Facility management fees	18	22	27	1	22	Property/Facility management fees	539
Utilities expense	27	10	60	—	17	Utilities expense	514
Rent paid	0	—	—	18	—	Rent paid	49
Advertising and promotion expenses	—	—	—	—	—	Advertising and promotion expenses	189
Repair expense	0	3	6	6	6	Repair expense	59
Nonlife insurance premium	1	0	0	3	0	Nonlife insurance premium	16
Tax and public dues	22	12	29	49	18	Tax and public dues	491
Other expenses	3	1	3	1	0	Other expenses	45
Depreciation	121	34	61	81	56	Depreciation	986
Lease operating income	196	47	127	93	23	Lease operating income	1,807
NOI (Lease operating income + Depreciation)	318	82	188	174	79	NOI (Lease operating income + Depreciation)	2,794
Capital expenditure	14	1	6	4	1	Capital expenditure	46

(Main capital expenditure)

Shiodome East Side Bldg.

Construction to divide the lease space on the 7th floor into three JPY 13 mn

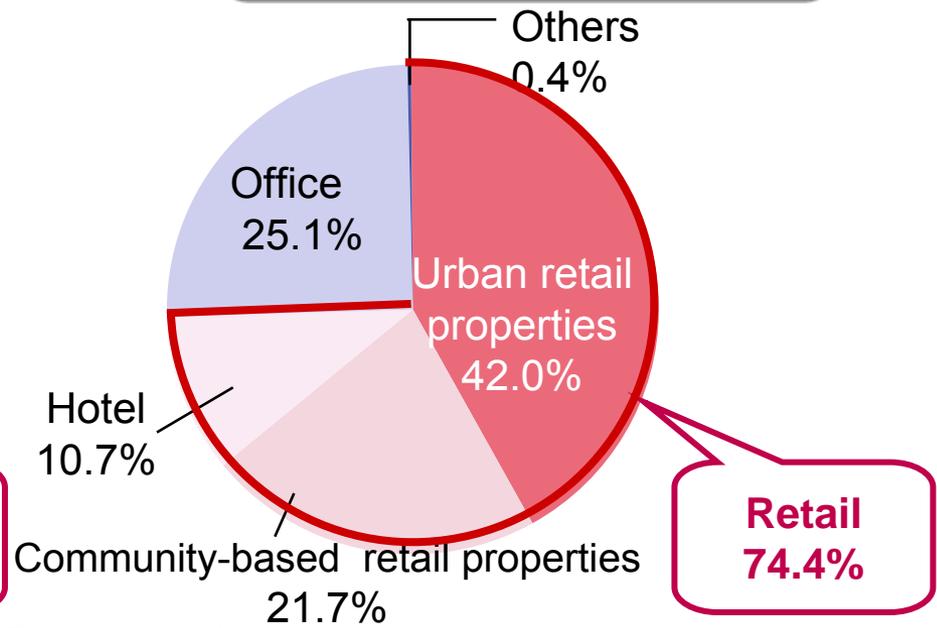
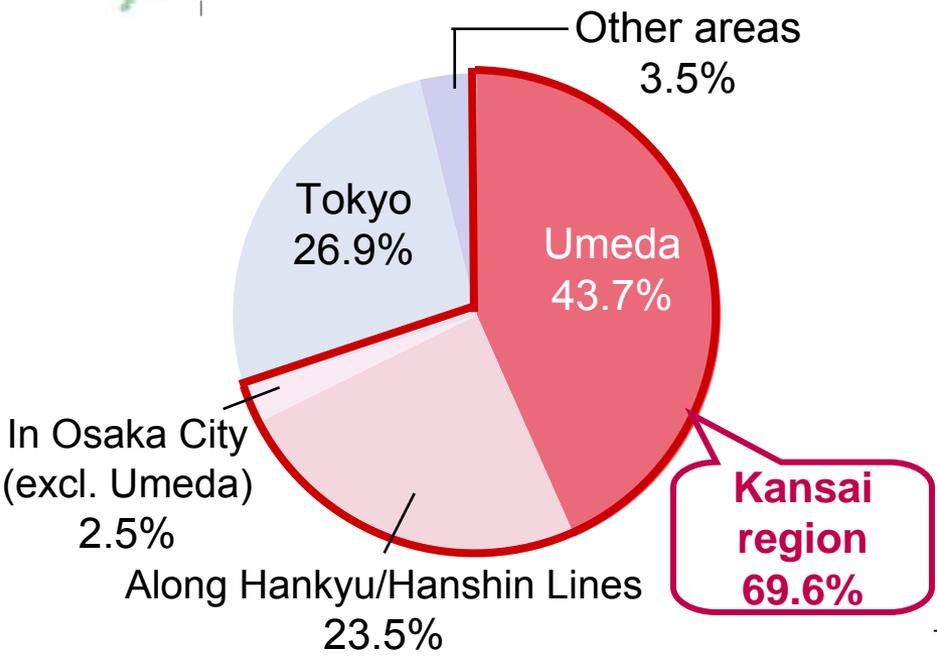
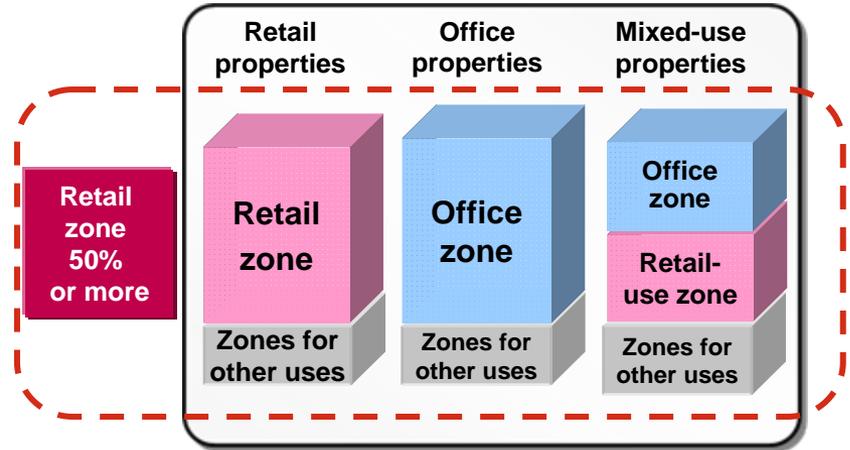
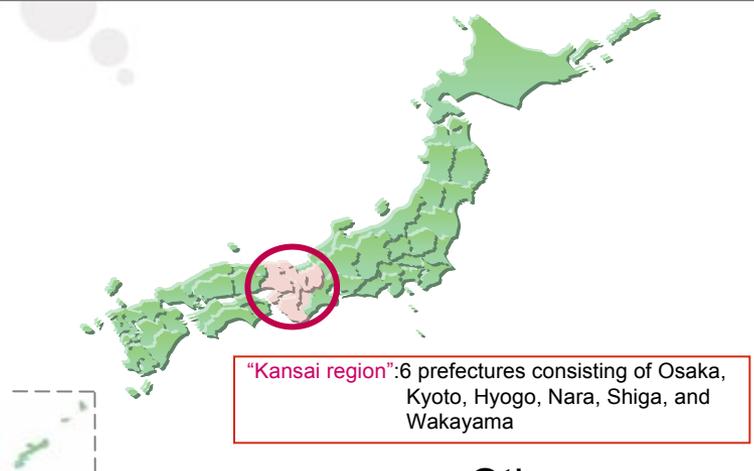


6. APPENDIX



Two-thirds of investment allocated to Umeda or along Hankyu/Hanshin Lines

Primary emphasis on highly competitive retail properties



The ratios are calculated based on the acquisition price. Silent partnership interests are not included.

The ratios are calculated based on the acquisition price. (For mixed-use zone properties, the amount is proportionate to the rent income and common service fees for each zone.) Silent partnership interests are not included.

6-2. Portfolio List (end of 15th fiscal period) ①

As of November 30, 2012

Classification	Code (Note 1)	Name	Location	Completion date	Building age (Note 2)	Total leasable area (m ²) (Note 3)	Occupancy rate (Note 3)	Total number of tenants (Note 3)	PML (Note 4)	Date of acquisition	Acquisition price (JPY mn)	Investment ratio	Appraisal value (JPY mn)	Cap rate (Note 5)
Retail Properties	R1(K)	HEP Five (45% of the quasi co-ownership of the trust beneficiary interests)	Kita Ward, Osaka City	Nov. 1998	14.1	20,370.13 (9,510.90)	100.0% (99.6%)	1 (134)	4.6%	Feb. 1, 2005	20,790	17.1%	23,895	4.5%
	R2(K)	Kitano Hankyu Bldg.	Kita Ward, Osaka City	Jun. 1985	27.5	28,194.15 (18,477.35)	100.0% (100%)	2 (24)	10.1%	Feb. 1, 2005	7,740	6.4%	6,650	5.6%
	R3(K)	Dew Hankyu Yamada	Suita City, Osaka Prefecture	Oct. 2003	9.2	12,982.19	100.0%	28	4.5%	Feb. 1, 2005	6,930	5.7%	7,000	5.5%
	R4(K)	Takatsuki-Josai Shopping Center	Takatsuki City, Osaka Prefecture	Apr. 2003	9.7	31,451.81	100.0%	1	6.1%	Nov. 15, 2005	8,600	7.1%	7,371	5.8%
	R5(K)	Nitori Ibaraki-Kita Store (site)	Ibaraki City, Osaka Prefecture	—	—	6,541.31	100.0%	1	—	Mar. 29, 2006	1,318	1.1%	1,414	6.5%
	R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Aki Ward, Hiroshima City	—	—	25,469.59	100.0%	1	—	Oct. 2, 2006	2,170	1.8%	1,910	6.7%
						60.14				Apr. 9, 2007	5			
	R7(K)	NU chayamachi	Kita Ward, Osaka City	Sep. 2005	7.2	15,546.75 (11,447.64)	100.0% (87.7%)	1 (66)	4.8%	Mar. 15, 2007	19,300	15.9%	14,200	4.8%
	R8	Hotel Gracery Tamachi	Minato Ward, Tokyo	Sep. 2008	4.2	4,943.66	100.0%	1	10.2%	Dec. 25, 2008	4,160	3.4%	3,860	5.4%
	R9(K)	LaLaport KOSHIEN (site)	Nishinomiya City, Hyogo Prefecture	—	—	126,052.16	100.0%	1	6.0%	Jan. 22, 2009	7,350	6.1%	6,710	5.0%
R10	Richmond Hotel Hamamatsu	Naka Ward, Hamamatsu City	Sep. 2002	10.2	6,995.33	100.0%	1	13.9%	Jan. 22, 2009	2,100	1.7%	1,952	6.3%	
Office Properties	O1	Shiodome East Side Bldg.	Chuo Ward, Tokyo	Aug. 2007	5.3	9,286.58	100.0%	6	4.6%	Feb. 29, 2008	19,025	15.7%	12,600	4.8%
Mixed-use Properties	M1(K)	Ueroku F Bldg.	Chuo Ward, Osaka City	Sep. 1993	19.2	4,611.82	89.9%	11	3.2%	Nov. 1, 2005	2,980	2.5%	2,470	6.0%
	M2	Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary interests)	Shinagawa Ward, Tokyo	Apr. 1993 (Note 6)	19.7	8,806.19	90.2%	22	2.7%	Oct. 2, 2007	9,405	7.8%	7,788	4.6%
	M3(K)	LAXA Osaka	Fukushima Ward, Osaka City	Feb. 1999	13.8	30,339.91	100.0%	1	3.4%	Jan. 22, 2009	5,122	4.2%	5,110	5.9%
	M4(K)	Namba-Hanshin Building	Chuo Ward, Osaka City	Mar. 1992	20.7	9,959.01 (6,456.88)	100.0% (94.9%)	1 (17)	4.5%	Jan. 22, 2009	4,310	3.6%	2,860	5.5%
Total					12.1	341,610.73 (313,433.47)	99.6% (99.0%)	79 (315)	3.3%	—	121,306	100.0%	105,790	5.1%

In addition to the assets shown above, we own silent partnership interests issued by Bay Leaf Funding GK, which owns trust beneficiary interests of AEON MALL SakaiKitahanada (site), the targeted real estate under the trust.

- (Note 1) These codes represent properties owned by Hankyu REIT classified into the following properties and regions.
Left-side letters represent properties: “R” is for retail property, “O” is for office property, and “M” is for mixed-use property.
The numbers are assigned to properties in order of date of acquisition, and a the letter “K” in parenthesis means the property is located in the Kansai region.
- (Note 2) The portfolio total is the weighted average building age by acquisition price.
- (Note 3) Figures in parenthesis indicate the total leasable area for end-tenants, the occupancy rate based on the said area, and the number of end-tenants, respectively.
For HEP Five, 45% quasi co-ownership of the trust beneficiary interests is indicated as the leasable area.
For Sphere Tower Tennoz, 33% quasi co-ownership of the trust beneficiary interests is indicated as the leasable area.
For LaLaport KOSHIEN (site), the leasable area is the total of the retail property site (86,124.96m²) and the parking garage space (39,927.2m²).
- (Note 4) PML of LaLaport KOSHIEN (site) is for the parking garage space administration building (394.88m²) .
- (Note 5) The cap rate is based on the direct capitalization method using appraisal value calculations. (Nitori Ibaraki-Kita Store (site), Kohnan Hiroshima Nakano-Higashi Store (site) and LaLaport KOSHIEN (site), are allocated a discount rate using the DCF method.)
The portfolio total is the weighted average cap rate based on appraisal values.
- (Note 6) The completion date for the office and store portions.



Urban retail properties

HEP Five



NU chayamachi



Kitano Hankyu Building



Community-based retail properties

Dew Hankyu Yamada



LaLaport KOSHIEN (site)



Kohnan Hiroshima Nakano-Higashi Store (site)



Takatsuki-Josai SC



Nitori Ibaraki-Kita Store (site)





Hotel

LAXA Osaka



Hotel Gracery Tamachi



Richmond Hotel Hamamatsu



Office

Ueroku F Building



Namba-Hanshin Building



Shiodome East Side Building

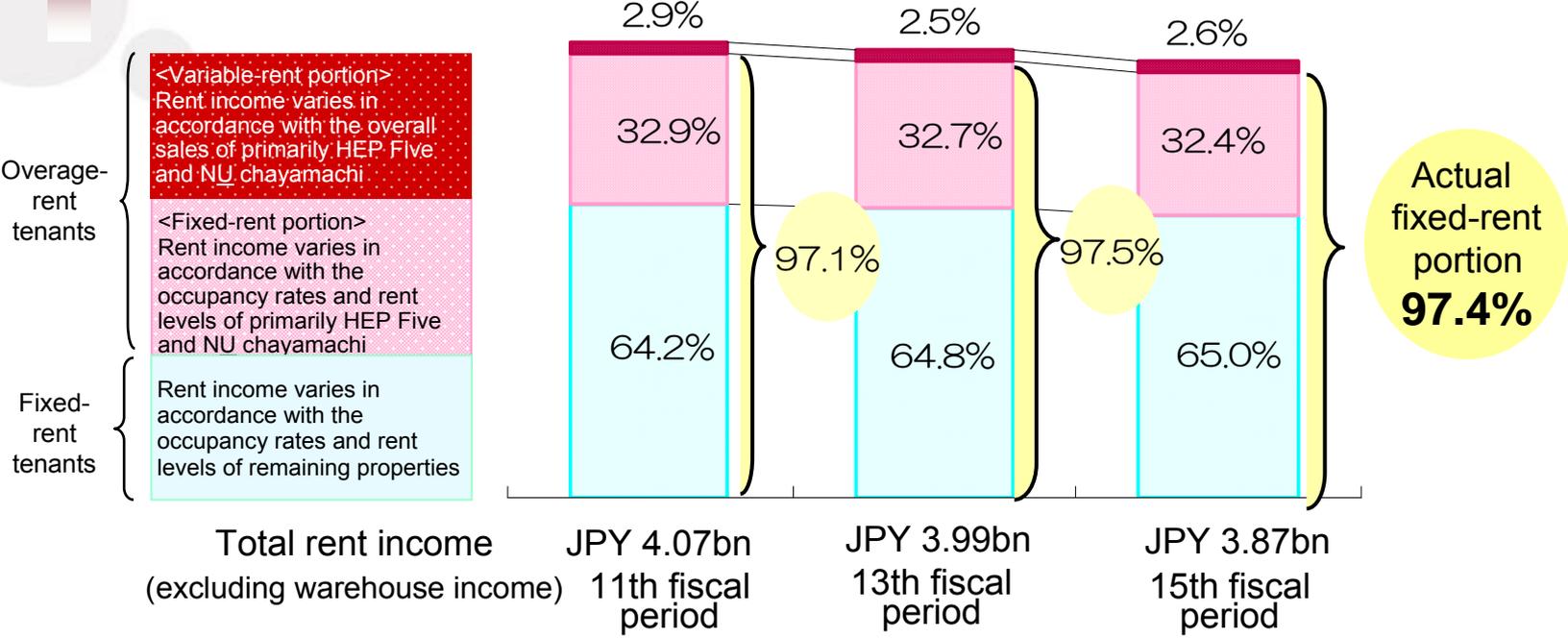


Sphere Tower Tennoz

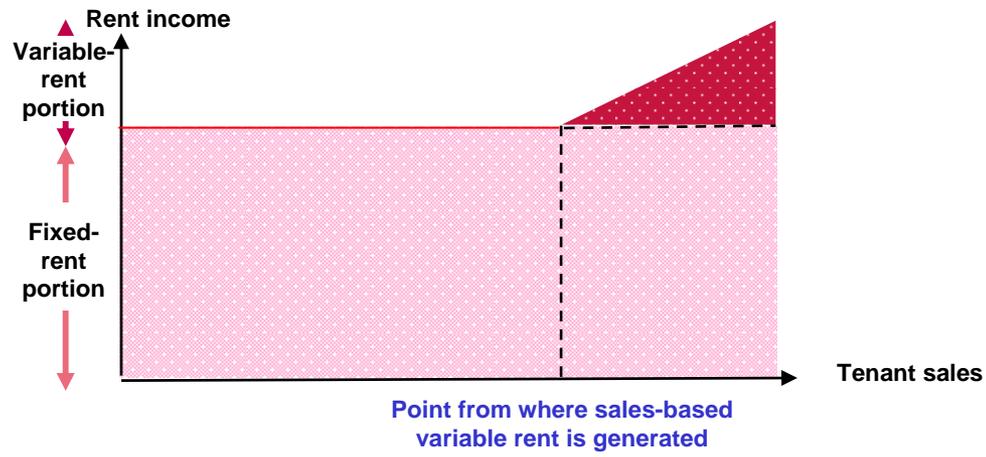




Income Ratio by Rent Category and Variation Factors



Concept Diagram of General Sales-based Overage Rent System



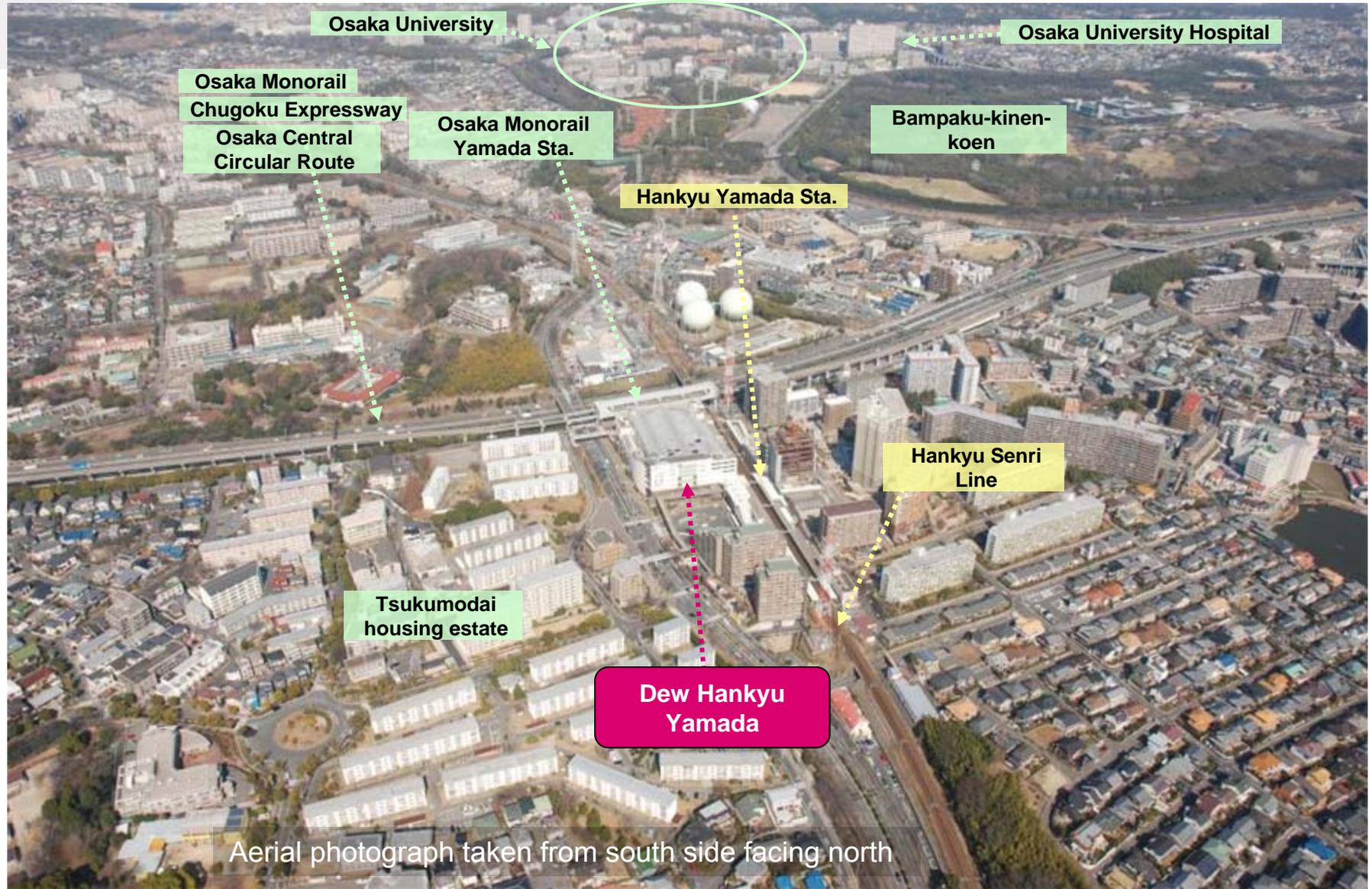


6-5. Hankyu/Hanshin Lines and Properties Held

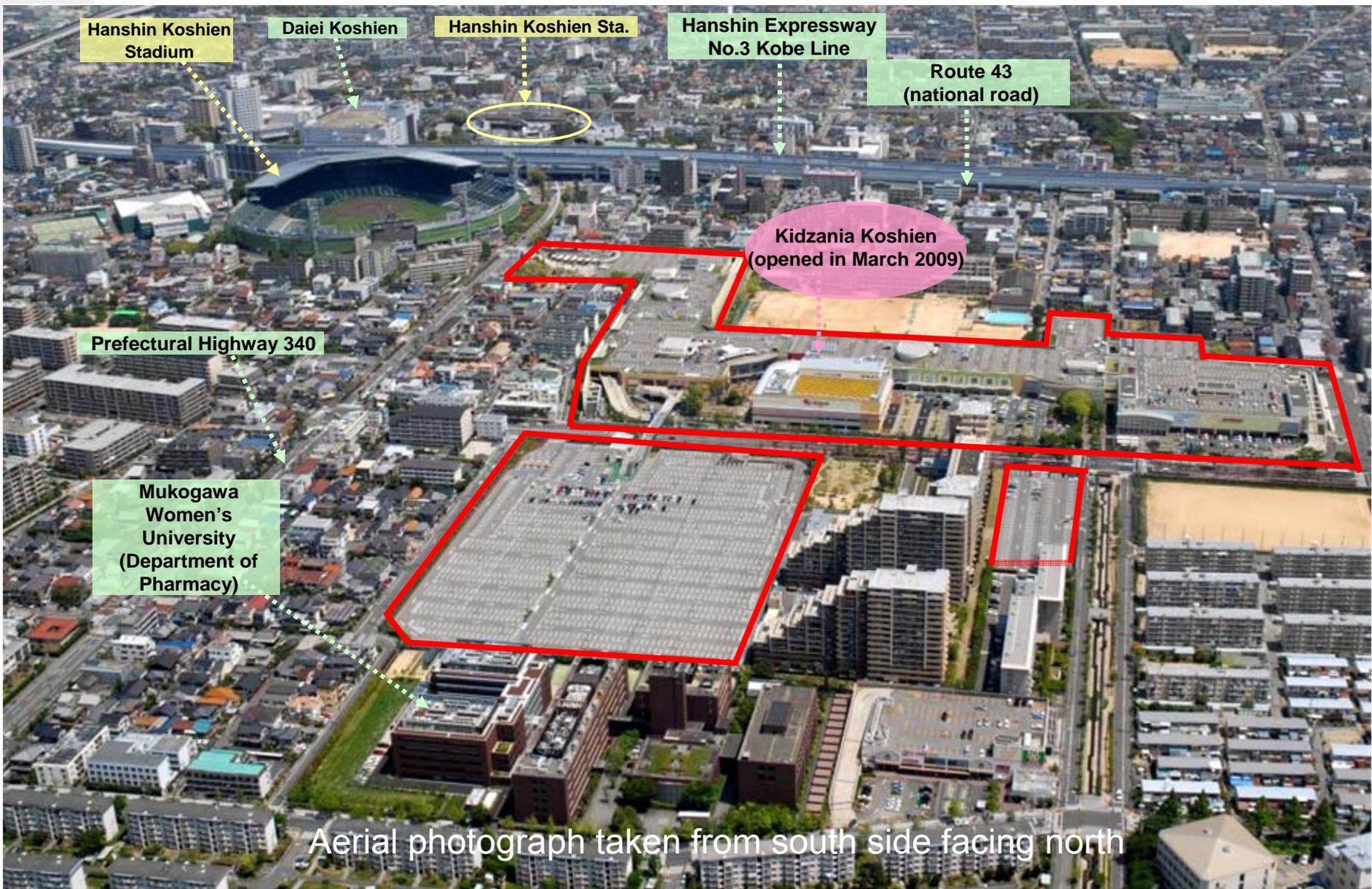
Properties held outside the Kansai region

- (Tokyo)
 - Tennoz
 - Shiodome
 - Tamachi
- (Other areas)
 - Kohnan Hiroshima
 - Hamamatsu





Aerial photograph taken from south side facing north

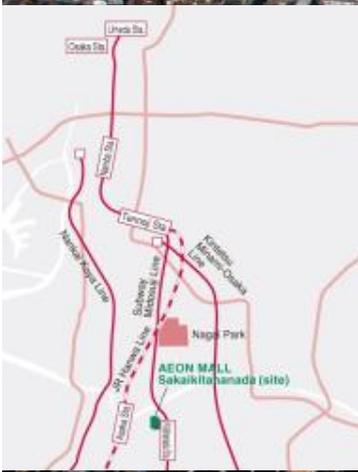


Aerial photograph taken from south side facing north



6-8. Takatsuki-Josai Shopping Center and Properties in Vicinity Hankyu REIT





*The above property is not included in the portfolio properties of Hankyu REIT as of the end of the 15th fiscal period.

**Hankyu REIT owns silent partnership interests in Bay Leaf Funding GK, which owns real estate trust beneficiary interest in the above property as trust asset, and has been granted priority negotiation rights for acquisition of the above property.



Additional Acquisition of Assets (silent partnership interests) AEON Mall SakaiKitahanada (site)

(Overview of Acquisition)

Asset acquired: Silent partnership interests with real estate trust beneficiary interests as portfolio properties*¹

Property name: Bay Leaf Funding GK silent partnership interests

Real estate under trust: AEON MALL SakaiKitahanada (site)

Acquisition amount: JPY 738 million
(additional acquisition of 20.0% investment interest in the entire silent partnership)

Acquisition date: June 1, 2012

Seller: Hankyu Corporation

Acquisition funds: Cash on hand



External appearance of AEON MALL SakaiKitahanada

(Overview of Property)

Location: 4-1-32, etc., Higashiasakayama-cho, Kita-ku, Sakai

Lot area: 64,232.77 m²

- Further reinforced relationship with the sponsor group
- Secured the priority negotiation rights for the above property as a candidate to be acquired for external growth
- Dividends from the silent partnership interest contributed to distribution of Hankyu REIT

As of November 30, 2012

Classification	Code	Name	Location	Completion date	PML (%)
Retail Properties	R1(K)	HEP Five (45% of the quasi co-ownership of the trust beneficiary interests)	Kita Ward, Osaka City	Nov. 1998	4.6%
	R2(K)	Kitano Hankyu Bldg.	Kita Ward, Osaka City	Jun. 1985	10.1%
	R3(K)	Dew Hankyu Yamada	Suita City, Osaka Prefecture	Oct. 2003	4.5%
	R4(K)	Takatsuki-Josai Shopping Center	Takatsuki City, Osaka Prefecture	Apr. 2003	6.1%
	R5(K)	Nitori Ibaraki-Kita Store (site)	Ibaraki City, Osaka Prefecture	—	—
	R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Aki Ward, Hiroshima City	—	—
	R7(K)	NU chayamachi	Kita Ward, Osaka City	Sep. 2005	4.8%
	R8	Hotel Gracery Tamachi	Minato Ward, Tokyo	Sep. 2008	10.2%
	R9(K)	LaLaport KOSHIE N (site)	Nishinomiya City, Hyogo Prefecture	—	6.0%
	R10	Richmond Hotel Hamamatsu	Naka Ward, Hamamatsu City	Sep. 2002	13.9%
Office Properties	O1	Shiodome East Side Bldg.	Chuo Ward, Tokyo	Aug. 2007	4.6%
Mixed-use Properties	M1(K)	Ueroku F Bldg.	Chuo Ward, Osaka City	Sep. 1993	3.2%
	M2	Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary interests)	Shinagawa Ward, Tokyo	Apr. 1993	2.7%
	M3(K)	LAXA Osaka	Fukushima Ward, Osaka City	Feb. 1999	3.4%
	M4(K)	Namba-Hanshin Building	Chuo Ward, Osaka City	Mar. 1992	4.5%
Total					3.3%

● What is PML?

PML (Probable Maximum Loss) refers to the estimated amount of the maximum loss from earthquake damage, and indicates the ratio of projected maximum physical loss amount of a building from a probable earthquake of maximum magnitude (assumed to happen once every 475 years, or a 10% probability of occurring during any 50 year span) during its use (a 90% non-exceedance probability) against the price to reacquire it.

● Portfolio PML

The total PML value for multiple buildings scattering in wide areas is always smaller than the weighted average PML value of each building. This is called the portfolio effect. Hankyu REIT calculates the portfolio PML by taking into account the geographical diversity of buildings over wide areas.

As shown in the table to the left, the portfolio PML of Hankyu REIT is 3.3%.

● Policy on earthquake insurance coverage

Hankyu REIT will decide to cover earthquake insurance in accordance with the following standard set forth in its management guidelines:

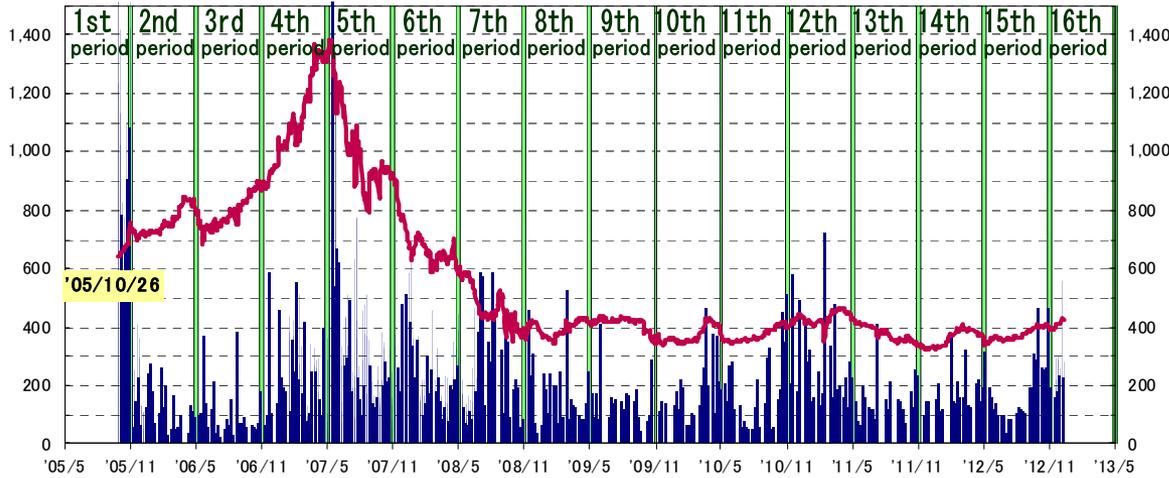
“Hankyu REIT will investigate earthquake insurance coverage when the PML of an individual property exceeds 15%.”



Unit Price (closing price basis)

(Unit: JPY thousand)

(Units)



Per unit trading trends (Oct 26, 2005 - January 8, 2013)

High (closing price basis) JPY 1,380,000 (June 2007)
 Low (closing price basis) JPY 325,000 (December 2011)

During 15th fiscal period (June 1, 2012 - November 30, 2012)
 High (closing price basis) JPY 413,000 (November 26, 2012)
 Low (closing price basis) JPY 337,000 (June 4, 2012)

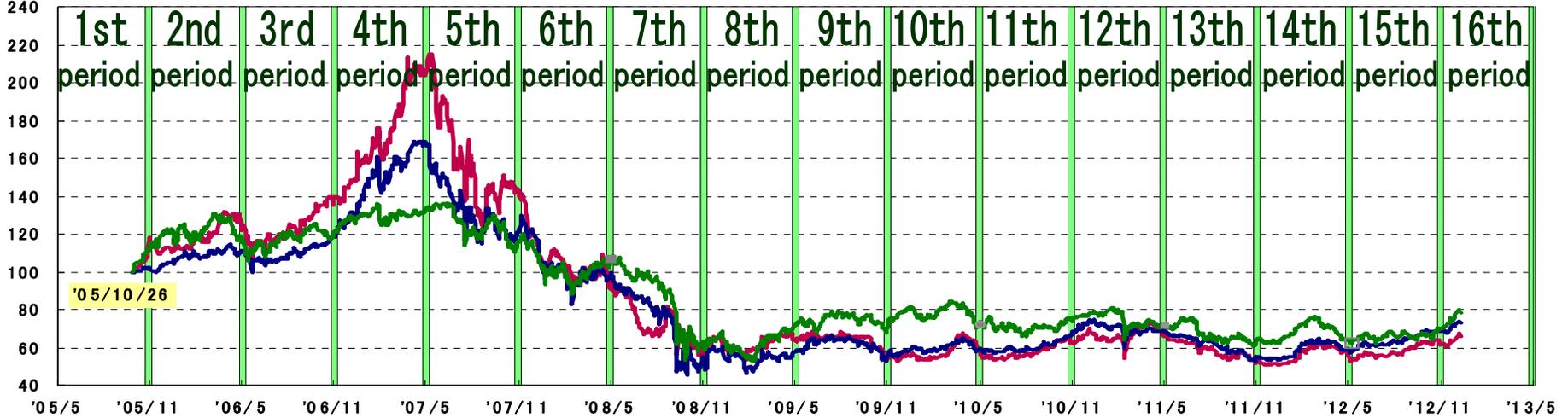
Price as of January 8, 2013 (closing price basis)
 JPY 421,000

Source: QUICK



Relative Price (closing price basis)

(%)



Source: QUICK, Tokyo Stock Exchange



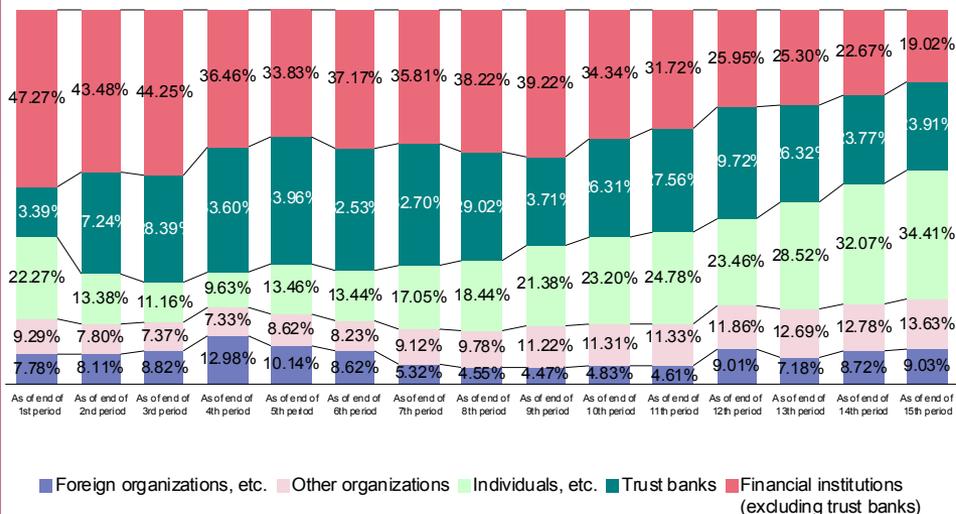
Unitholder Composition

Ownership by category	Number of unitholders (persons)	Ratio to ownership	Number of investment units held (units)	Ratio to number of investment units
Financial institutions (excluding trust banks)	61	0.63%	16,245	19.02%
Trust banks	9	0.09%	20,418	23.91%
Individuals, etc.	9,248	96.23%	29,383	34.41%
Other organizations	200	2.08%	11,644	13.63%
Foreign organizations, etc.	92	0.96%	7,710	9.03%
Total	9,610	100%	85,400	100%

Top 10 Unitholders

Unitholder name	Number of units held (units)	Ownership
Japan Trustee Services Bank, Ltd. (Trust account)	13,109	15.35%
The Senshu Ikeda Bank, Ltd.	4,150	4.86%
Hankyu Corporation	3,500	4.10%
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	3,232	3.78%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	2,258	2.64%
Nomura Bank (Luxembourg) S.A.	2,051	2.40%
Shikoku Railway Company	1,768	2.07%
Sumitomo Mitsui Banking Corporation	1,332	1.56%
The Master Trust Bank of Japan, Ltd. (Trust account)	1,221	1.43%
Gibraltar Life Insurance co., Ltd (General Account J-REIT)	893	1.05%
Total investment	33,514	39.24%
Number of outstanding units	85,400	100%

Ratio of Units by Unitholder Category



The trend at Hankyu REIT in recent years is the gradual increase in the percentage of individuals among its unitholders.

Results of IR and briefing activities for individuals in the 15th fiscal period

Date held	Participating event
Jun. 2012	J-REIT Festa 2012 (Tokyo)
Jul. 2012	J-REIT seminar for individual investors (Fukuoka)
Aug. 2012	IR briefing for overseas investors (Hong- Kong)
Aug. 2012	Seminar for individual investors sponsored by a securities firm (Osaka)
Aug. 2012	Briefing session of financial results (General Unitholders' Meeting, Osaka)
Sep. 2012	J-REIT seminar for individual investors (Nagoya)
Sep. 2012	J-REIT seminar for individual investors (Sapporo)
Oct. 2012	J-REIT Forum (Tokyo)
Oct. 2012	J-REIT Autumn Fair 2012 (by ARES and TSE)
Nov. 2012	Seminar for individual investors sponsored by a securities firm (Tokyo)

Hankyu REIT believes that expansion of the unitholder base, including individual investors, should contribute to the stability of the investment unit prices and the development of the J-REIT industry as a whole. Based on this thinking, Hankyu REIT continued to implement proactive IR activities in the 15th fiscal period. Going forward, Hankyu REIT is committed to conducting proactive IR activities in order to be recognized and valued by a wide variety of unitholders.

Report on the results of the questionnaire to investors in the 14th fiscal period

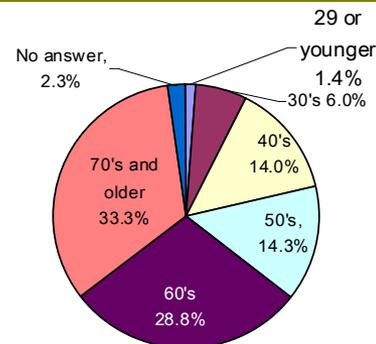
Hankyu REIT conducted a postcard-style questionnaire to investors on the registrar at the end of the 14th fiscal period (May 31, 2012). Calendars with themes such as Takarazuka Revue and Hanshin Tigers, or a pair of tickets for the HEP FIVE Ferris wheel were sent to 250 selected respondents.

Hankyu REIT will continue to value a management style that listens to its investors.

Basic data

Number of responses	Response rate	Male/female ratio
1,575	18.0%	75% by male and 24% by female (1% no answer)

Age



Factors for deciding investment subjects (select up to three)

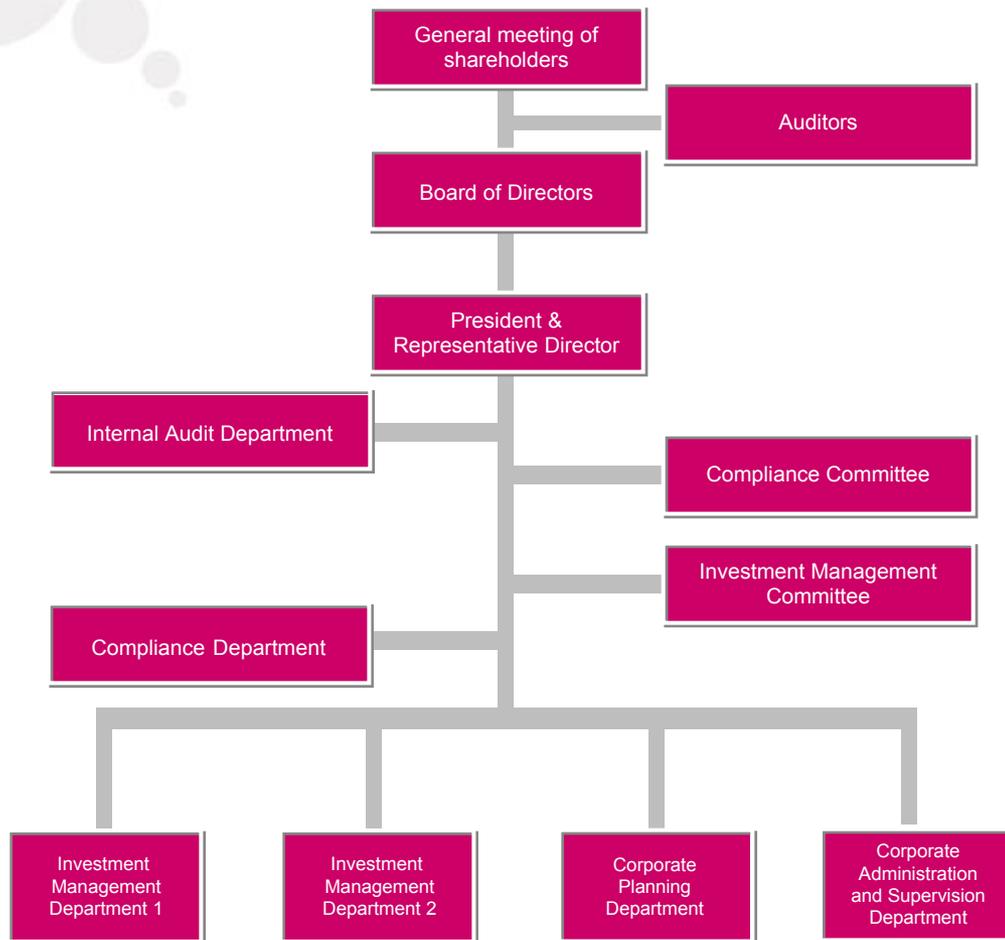


Information sources on the Internet (select up to three)



6-15. Organization of Hankyu REIT Asset Management, Inc. Hankyu REIT

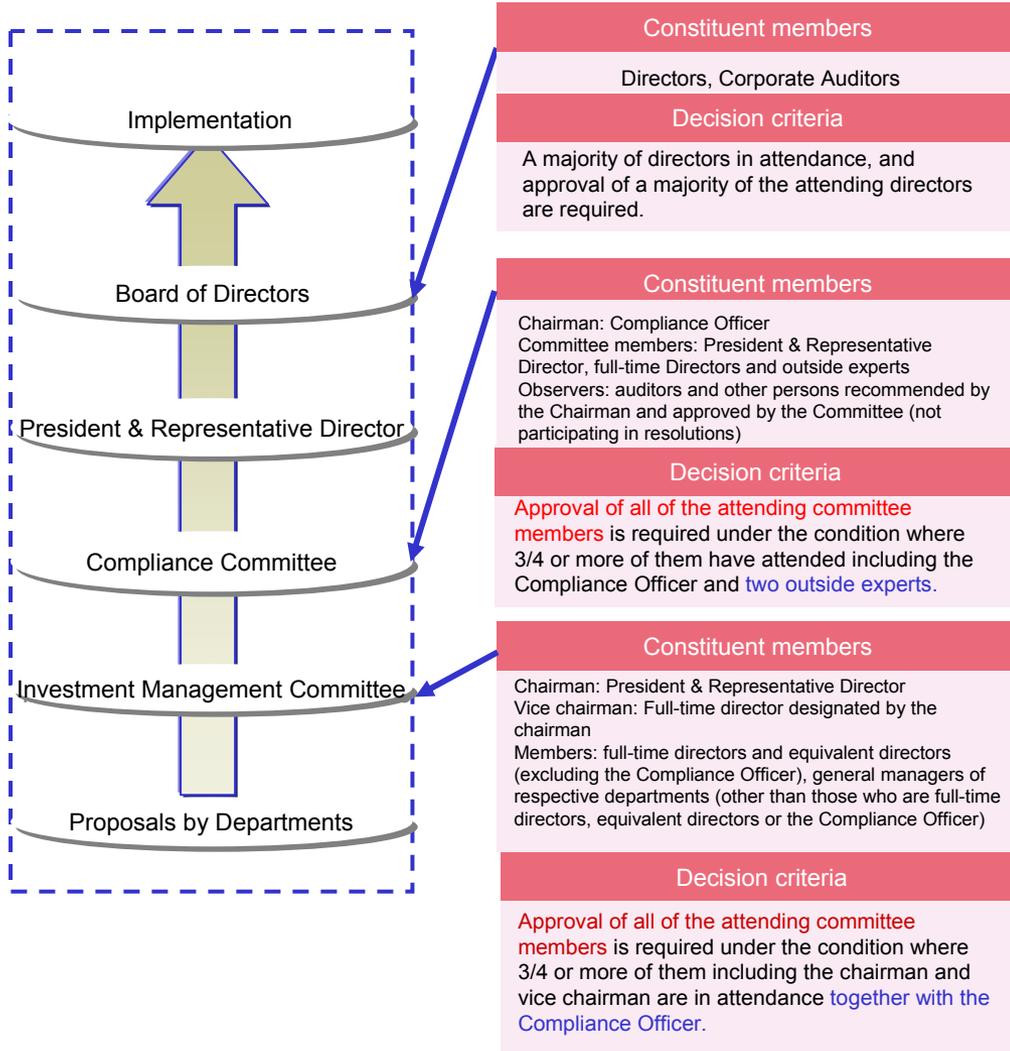
(As of November 30, 2012)



Corporate Data		
Trade name	Hankyu REIT Asset Management, Inc.	
Headquarters	19-19, Chayamachi, Kita-ku, Osaka 530-0013, Japan	
Established	March 15, 2004	
Paid-in capital	JPY 300 mn	
Shareholder	Hankyu Corporation (100%)	
Number of employees	21	
Executive officers	President & Representative Director	Yoshiaki Shiraki
	Director	Toshinori Shoji
	Director	Yasuki Fukui
	Corporate Auditor (part-time)	Toru Ono
	Corporate Auditor (part-time)	Ken Kitano
Principal businesses	Financial instruments trading (investment management business)	
	<ul style="list-style-type: none"> ● Financial product trader: Director-General of the Kinki Finance Bureau Ministry of Finance (Kinsho) No. 44 ● Real Estate Transaction License: The Governor of Osaka Prefecture (2) No. 50641 ● Approval of discretionary dealing trustee etc.: No.23 by Minister of land, infrastructure, transportation and tourism 	



Systematically ensure multiple checking functions.
Focus on promoting a compliance-conscious corporate culture.



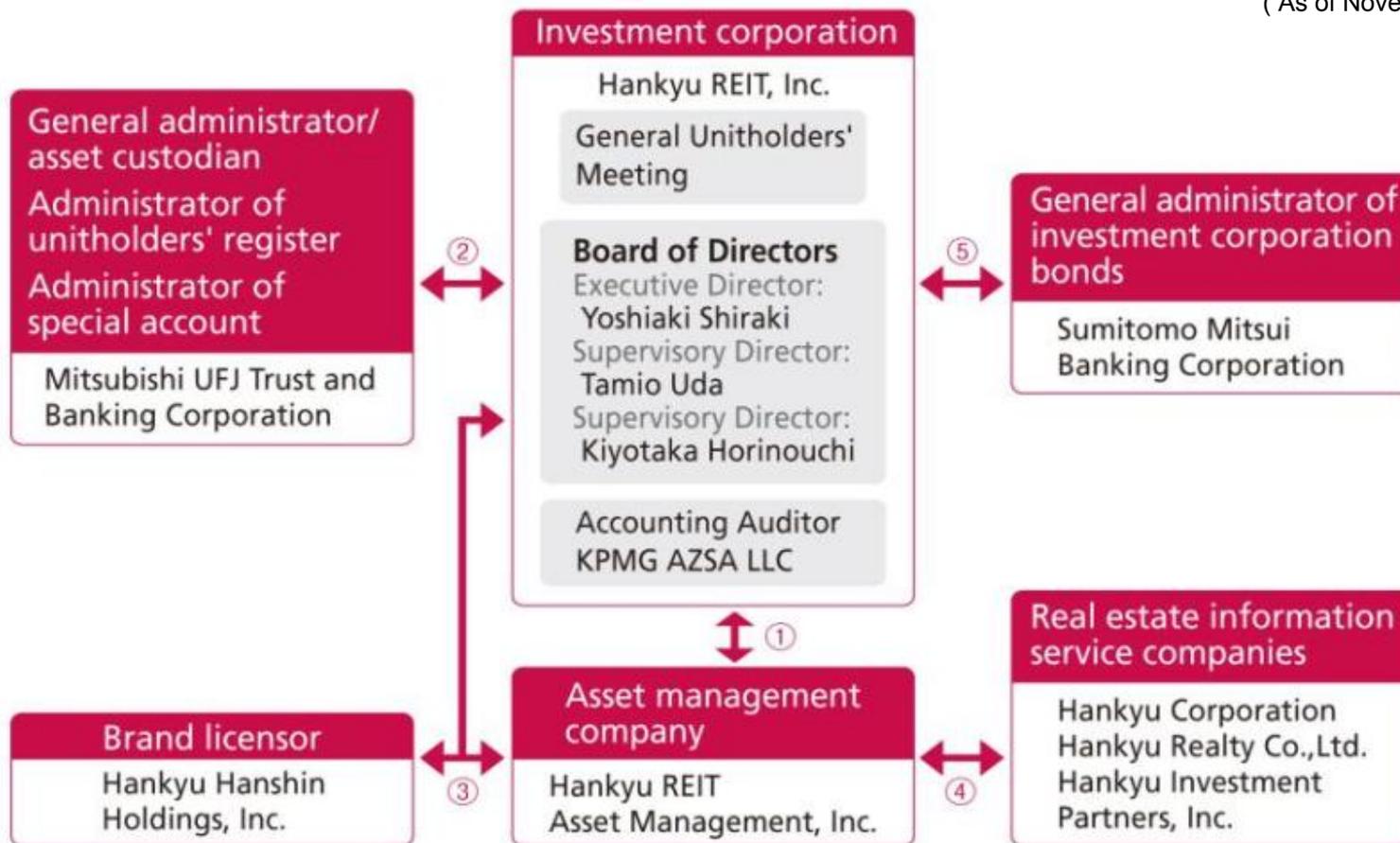
Compliance System

- Achieve comprehensive compliance by establishing a Compliance Department and a Compliance Officer
- The Compliance Committee, including outside experts, deliberates on conflicts of interest transactions with interested parties
- The Compliance Officer attends the Investment Committee Meeting and checks compliance issues
- Appointed a person to be in charge of efforts to prevent improper requests and the exclusion of anti-social forces

Internal Audit System

- Implemented PDCA cycle by systematically implementing the internal audit system every fiscal year based on the annual internal auditing plan
- Utilize external consulting entity to secure independence of internal audit and obtain a highly effective internal audit
- Introduced semi-full-time Corporate Auditor system and strengthened auditing functions (Independent system of the Hankyu Corporation and the group companies. Recognized as part-time Corporate Auditor under the Companies Act.)
- Established the internal control system and strengthened check and balance functions as a consolidated subsidiary of Hankyu Hanshin Holdings, Inc.

(As of November 30, 2012)



- ① Asset management services agreement
- ② Administrative agency agreement/asset custody agreement/agreement on administration of unitholders' register/special account management agreement
- ③ Trademark license agreement
- ④ Information sharing-related agreement
- ⑤ Fiscal agency agreement

(Note) In preparation for the event that the number of Supervisory Directors is less than that stipulated in laws and regulations, Toshinori Shoji was elected as alternate Executive Director and Motofumi Suzuki was elected as alternate Supervisory Director at the General Unitholders' Meeting held on August 29, 2012.