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For Immediate Release

REIT Issuer

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Notice Concerning Filing of Counterclaim in Rent Reduction Action

(Hotel Gracery Tamachi)

Hankyu REIT, Inc. (hereafter "Hankyu REIT") hereby notifies that, in the action for reduction in the amount of rent (hereafter the "Action") filed against Hankyu REIT by Fujita Kanko Inc. (hereafter "Fujita Kanko"), which is the lessee of a portfolio asset "Hotel Gracery Tamachi" (hereafter the "Property"), through the trustee of the Property as announced in the press release "Notice Concerning Rent Reduction Action Filed Against the Investment Corporation (Hotel Gracery Tamachi)" dated October 27, 2014, the following counterclaim (hereafter the "Counterclaim") has been filed this time by Hankyu REIT against Fujita Kanko through the trustee. Details are described below.

1. Content of the Counterclaim

- (1) Court with which counterclaim filed: Tokyo District Court
- (2) Date on which counterclaim filed: July 6, 2015
- (3) Main claim: Claiming approximately 7.3% increase in amount compared with the existing rent for rent on and after July 1, 2015

(Reference) Content of the Action

- (1) Party filing action: Fujita Kanko Inc.
- (2) Court with which action filed: Tokyo District Court
- (3) Date on which action filed: October 9, 2014
- (4) Main claim: Claiming approximately 23.5% reduction in amount compared with the existing rent for rent on and after September 30, 2013

2. Reason for the Counterclaim

Hankyu REIT considers the claim for reduction in the amount of rent for the Property to lack reasonable grounds in light of such factors as the current hotel market conditions and rent trends in the Tokyo metropolitan area, and has been asserting its opinion to that effect through the trustee in the Action from the beginning. The Action is pending, with the propriety of the reduction in the amount of rent as at September 30, 2013 and the extent of the reduction in amount at issue. Having deemed that the existing

rent warrants an increase in amount given the Property's latest land market value and other economic indicators and sales indicators, status of improvement in hotel income and expenditures, and the results of a rent appraisal as at May 1, 2015 obtained by Hankyu REIT, Hankyu REIT recently decided to claim for increase in the amount of rent for rent on and after July 1, 2015 and filed the Counterclaim through the trustee of the Property.

3. Policy on Future Response

The Counterclaim will lead to proceedings over also the propriety of the claim for increase in the amount of rent for rent on and after July 1, 2015 in the Counterclaim, in addition to the propriety of the claim for reduction in the amount of rent for rent on and after September 30, 2013 in the Action. Hankyu REIT will keep vindicating its position through the trustee in each of the Action and the Counterclaim.

4. Future Outlook

At this point in time, there is no unpaid rent for the Property. The impact of the Action and the Counterclaim on the business performance of Hankyu REIT is yet to be determined at this point in time. Any matters to be disclosed in the future will be promptly notified.

- The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club), Osaka Securities Exchange, and 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/eng/>