Hankyu REIT

Financial Results Briefing Materials for the 20th Fiscal period ended May 2015







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This material includes forward-looking statements based on present assumptions and future outlook.

Actual results may differ from the forward-looking statement values due to various factors.

This material is not intended as a solicitation to acquire investment securities of Hankyu REIT nor is it intended as a solicitation to sign contracts relating to transactions of other financial instruments. When undertaking any investment, please do so based on your own judgment and responsibility as an investor.

Before purchasing investment securities of Hankyu REIT, please consult with a securities company that is a "Type I Financial Instruments Business Operator."

This material is an English translation of the original, which was issued in the Japanese language.

There are sections that display property names in abbreviated form.

Hankyu REIT implemented a five-for-one split of its investment units with December 1, 2014 as the effective date.



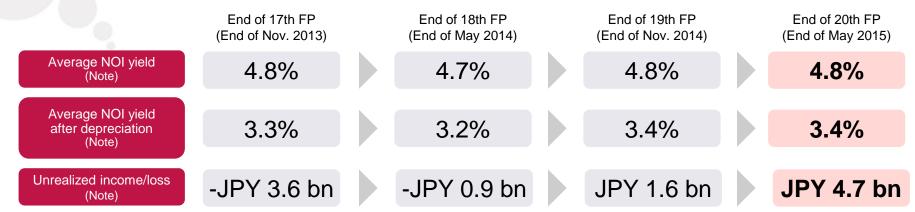


	Issues	Results of 20th Fiscal Period
External Growth	 How to acquire properties that will enable planning of target distributions amidst the heated competition for property acquisition 	 Proactively implemented initiatives such as searching and considering development-type properties through joint efforts with the sponsor group toward securing quality properties at the appropriate price Regarding investment in hotels, implemented increasing the investment ratio from 10% to 20% Newly created Investment Planning Office in an aim to enhance portfolio management including future expansion of asset scale and asset replacement
Internal Growth	 Maintenance and improvement of competitiveness of properties held Leasing of Sphere Tower Tennoz 	 Maintained high level of portfolio occupancy rate (end of 20th fiscal period: 98.7%) For Sphere Tower Tennoz, focused on leasing activities which appeal value-enhancement work at common-use portions, etc. Achieved tenant attraction at the level higher than the market rent (Shiodome East Side Building and Ueroku F Building)
Financial Strategies	 Implementation of LTV control Extension of borrowing periods, diversification of debt repayment dates, and diversification of fund procurement methods 	 LTV performed on an ongoing basis (end of 20th fiscal period: 44.4%) Achieved further stabilization by reducing debt financing costs, extending borrowing periods and diversifying debt repayment dates

Results for 20th fiscal period (ended May 2015) Distribution per unit

2,567 yen

Profitability of portfolio



Stability of financial foundation



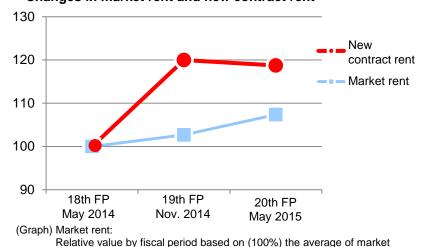
(Note) Details of the calculation method for "Average NOI yield," "Average NOI yield after depreciation," "Unrealized income/loss" and "LTV" are presented on page 61.

1-3. Internal Growth Status

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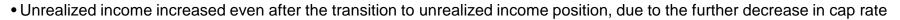
Status of new contracts for owned office-use (Note)

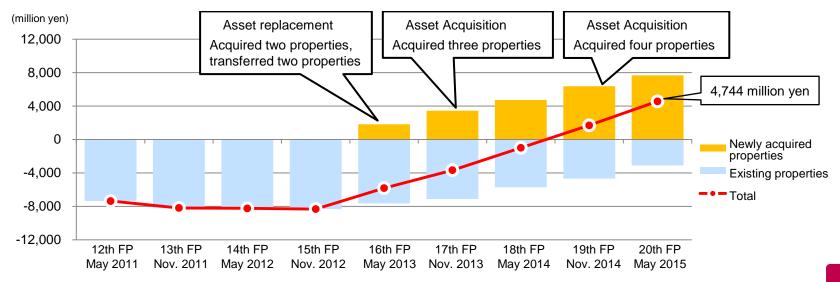
- Achieved tenant attraction at the level higher than the market rent which is on an upward trend
- (Note) Calculated by covering office-use zone of four office properties other than those under fixed-type master lease contract (Shiodome East Side Building, Ueroku F Building, Namba-Hanshin Building and Sphere Tower Tennoz) (Market rent is based on CBRE's materials)



Relative value of new contract rent by fiscal period based on (100%) the average of market rent in each property in the 18th fiscal period

Changes in unrealized income/loss





Changes in market rent and new contract rent

rent in each property in the 18th fiscal period

New contract rent:

1-4. Internal Growth Initiatives

Acquired DBJ Green Building Certification for "HANKYU NISHINOMIYA GARDENS" and "HEP Five"

"HANKYU NISHINOMIYA GARDENS" received "five stars" for the first time in retail facilities owned by J-REITs

Implementation of following initiatives under joint efforts with the sponsor group in an aim to improve convenience of users and contribute to the surrounding environment and communities were highly assessed by DBJ.

- Consideration for environment and energy-saving
- Working on greening and implementing events at a rooftop garden called Sky Garden
- Introducing history and dispatching culture at the Hankyu Nishinomiya Gallery



Events at Sky Garden



• Overview of DBJ Green Building Certification (DBJ: Development Bank of Japan Inc.)

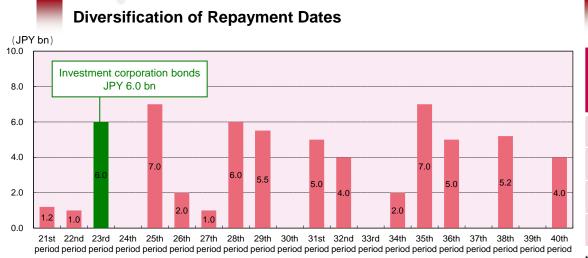
It is a program which DBJ grants certifications after assessing properties under five categories of "Ecology (environment)," "Diversity (diverseness)," "Risk Management (crime and disaster prevention)," "Community (region and landscape)" and "Partnership (collaboration with stakeholders)" in five ranks using a scoring model developed independently by DBJ in an aim to increase and promote "Green Buildings," real estate properties evincing high environmental and social awareness.

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1-5. Initiatives toward Strengthening Financial Foundation

Fund procurement indicators improved significantly over the past three years through improvement in financial position by obtaining AA rating and conducting public offerings two years in a row, and other factors

Extended average remaining period (2.1 years \rightarrow 5.1 years), diversified debt repayment dates and reduced debt financing costs (1.43% \rightarrow 1.07%)

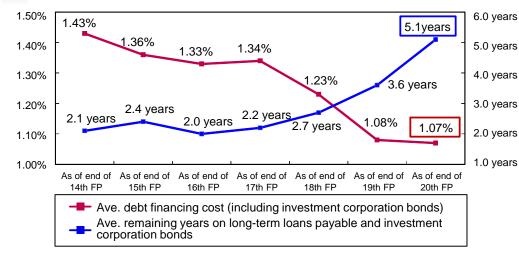


Overview of refinancing in the 20th fiscal period

	Date of refinance	Amount of debt financing (million yen)	Borrowing period
*	December 24, 2014	5,000	8 years
	January 23, 2015	2,000	7 years
	February 27, 2015	5,200	9 years
	May 15, 2015	4,000	10 years

* Made early repayment

Trends of Debt Financing Costs and Average Remaining Years

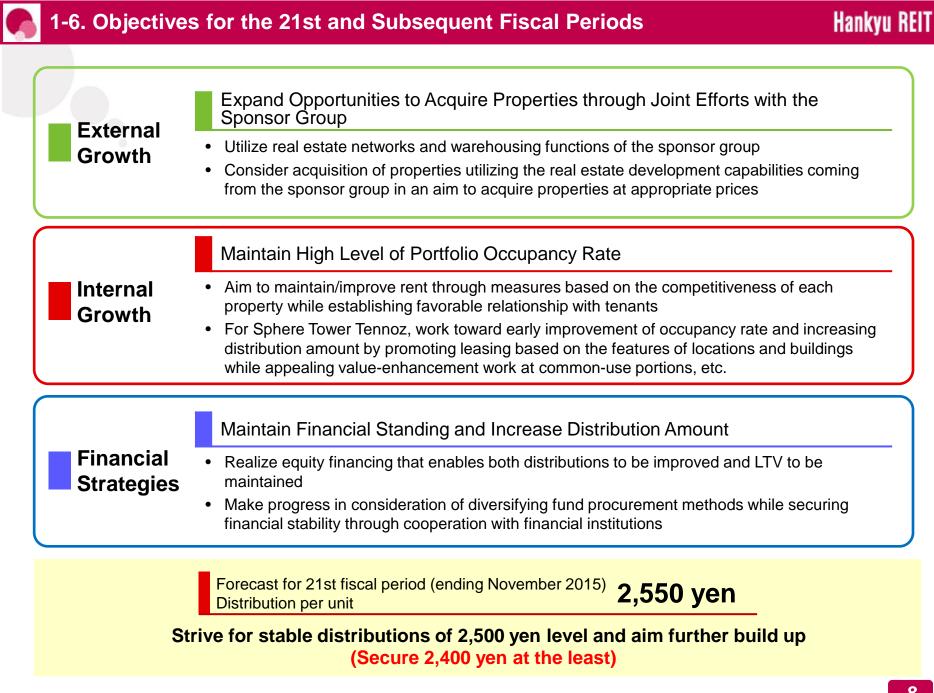


Long-term debt ratio and fixed debt ratio in the end of 20th fiscal period

Long-term debt ratio	Fixed Debt Ratio				
100%	93.5%				

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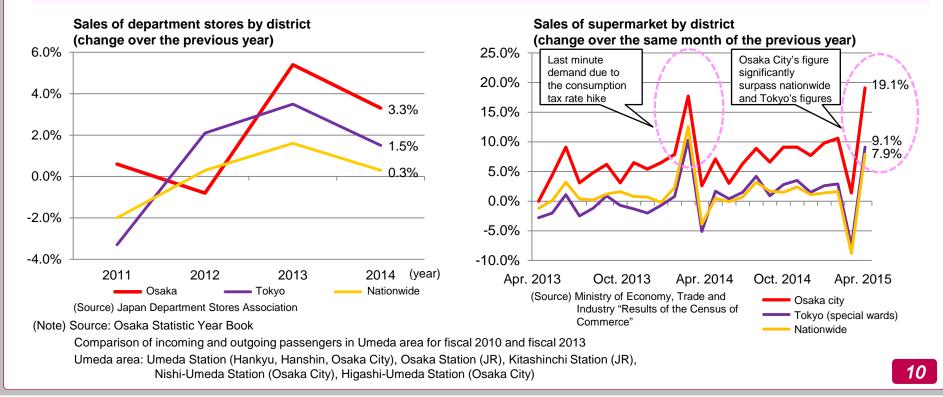




2-1. Status of Retail Facilities in Osaka

Sales of department stores, supermarkets, etc. are going strong

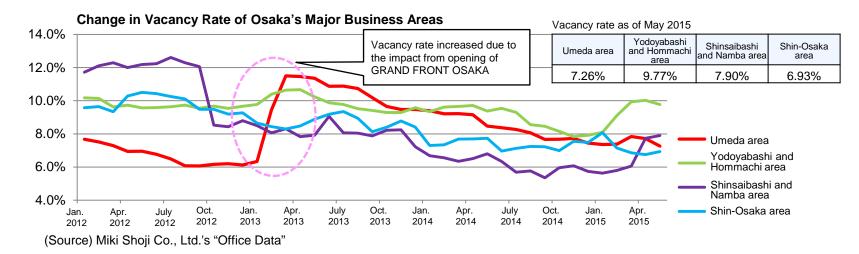
- In 2014, sales of department stores in Osaka grew 3.3% year-on-year, which surpassed growth rate of nationwide and Tokyo's
- Although being impacted by the consumption tax rate hike, sales of supermarkets in Osaka City maintained positive figures throughout fiscal 2014 when compared to that of same month in the previous year
 - Consumptions at supermarkets in central areas and department stores are on an increasing trend due to the increase in inbound tourists and return of the population to central city, and this trend is expected to continue into the future
- Sales of GRAND FRONT OSAKA in fiscal 2014 achieved 44.4 billion yen (11% above the target), which exceeds the sales in initial fiscal year
- In Umeda area, number of incoming and outgoing passengers increased approximately 5% (Note) due to the opening of GRAND FRONT OSAKA and other retail facilities
 - -D Umeda area's advantage of being the most competitive area is expected to stand firm into the future

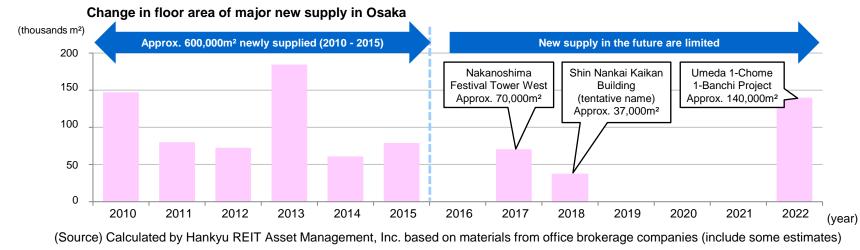


2-2. Status of Office in Osaka

Decreasing trend of office vacancy rate is continuing in Osaka

- Relocation of offices from Yodoyabashi and Hommachi area into Umeda area, especially into high-spec buildings, is progressing and old buildings are being converted into apartment buildings advancing
- New supply in the future are limited and decreasing trend of vacancy rate is expected to continue (As of May 2015, vacancy rate of Umeda area is about the same level of that in Tokyo's business areas in December 2013 (7.34%))



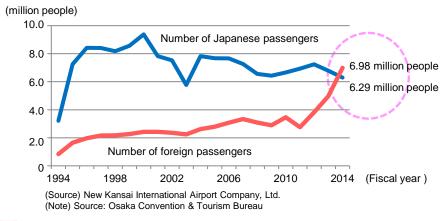


2-3. Status of Inbound Tourists in Kansai Area

Foreign tourists to Japan who visit Kansai is continuously increasing

- At Kansai International Airport, number of foreigners using international flights surpassed the number of Japanese for the first time in domestic major airports
- In 2014, 13.41 million foreign tourists visited Japan and among that, record high number of 3.76 million people visited Osaka Prefecture (44% increase over the previous year) (Note)

Status of International Flight Passengers at Kansai International Airport



Hotels in Osaka and Kyoto continues to be strong

Occupancy rates of business hotels and city hotels in Osaka and Kyoto prefectures are performing highly even when compared to hotels nationwide

Ranking of Guest Room Occupancy Rate (2014)

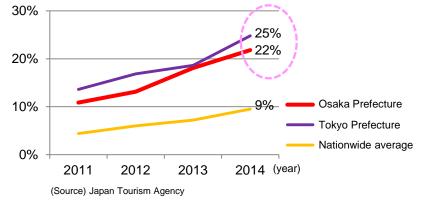
Rank	City Hotels	Business Hotels
1	Osaka Prefecture (86.7%)	Kyoto Prefecture (86.1%)
2	Tokyo Prefecture (84.2%)	Tokyo Prefecture (86.0%)
3	Kyoto Prefecture (83.4%)	Osaka Prefecture (84.2%)
4	Kanagawa Prefecture (83.0%)	Kanagawa Prefecture (81.5%)
5	Aichi Prefecture (82.3%)	Fukushima Prefecture (79.1%)

(Source) Japan Tourism Agency

Increase in ratio of foreign tourists visiting Japan in accommodation facilities

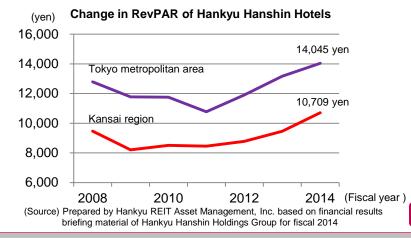
- Total number of over-night guests among foreign tourists visiting Japan surpassed 40 million people
- In 2014, ratio of foreign tourists visiting Japan surpassed 20% in Osaka and Tokyo prefectures

Ratio of Foreign Tourists Visiting Japan in Total Number of Over-Night Guests



RevPAR of hotels are on an upward trend

• In hotels of the sponsor group, RevPAR, a revenue indicator, is on an upward trend in both Kansai region and Tokyo metropolitan area



2-4. Flow of People in Kansai Area Focused on Inbound Tourists

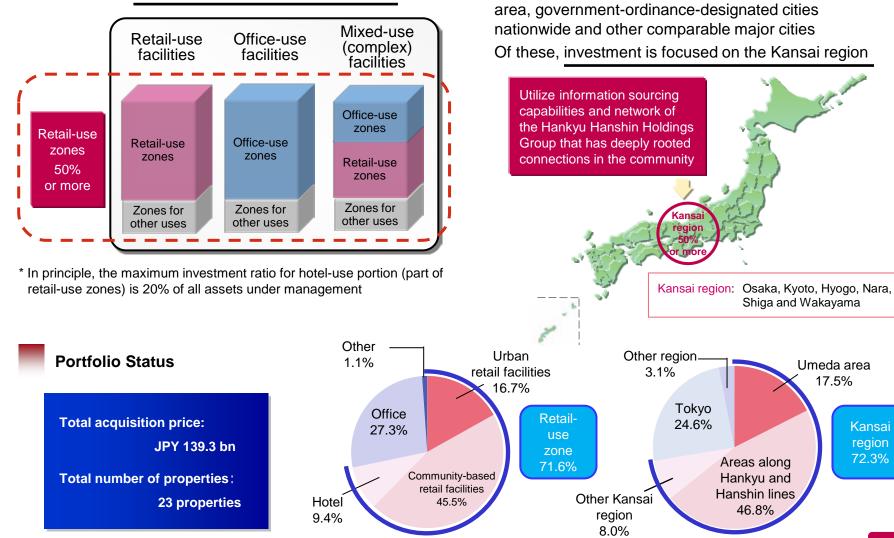
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Target real estate with retail-use and office-use zones Especially focus investment on retail-use zones



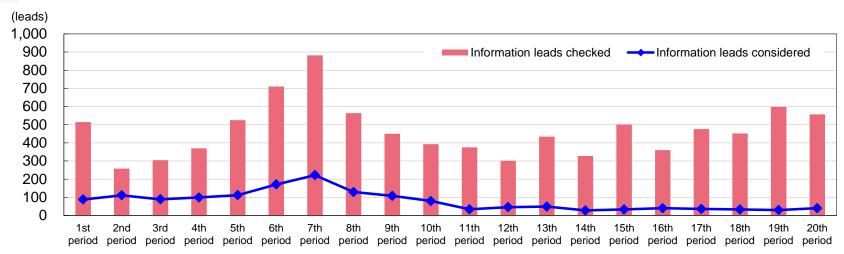
Investment Target Areas

Target real estate across Japan

Investment target areas are the Tokyo metropolitan

Status of Property Acquisition Activities

Promoting consideration of property acquisitions that can contribute to improvement of portfolio profitability and stability amidst the heated competition for property acquisition. Aiming to further expand the route to obtain property information while strengthening joint efforts with the sponsor group.



Trends of Information Leads

Diverse Property Acquisition Methods

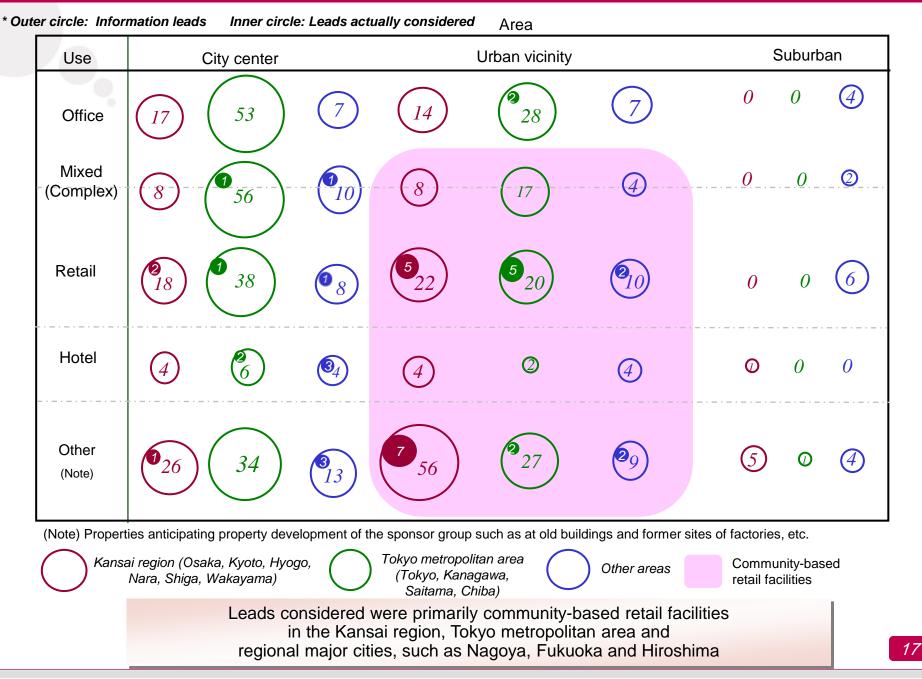
	Acquisition method									
Sponsor group's property	Property developed by sponsor group	On-balance bridge	SPC bridge	Direct acquisition from outside						
HEP Five Kitano Hankyu Building Dew Hankyu Yamada Nitori Ibaraki-Kita Store (site) LaLaport KOSHIEN (site) LAXA Osaka Namba-Hanshin Building HANKYU NISHINOMIYA GARDENS Kotocross Hankyu Kawaramachi	Shiodome East Side Building Hotel Gracery Tamachi	MANDAI Toyonaka Honan Store (site) DAILY QANAT Izumiya Horikawa Marutamachi Store (site) MANDAI Gojo Nishikoji Store (site) LIFE Shimoyamate Store (site)	Hankyu Corporation Head Office Building Ueroku F Building Richmond Hotel Hamamatsu AEON MALL SAKAIKITAHANADA (site)	Takatsuki-Josai Shopping Center Kohnan Hiroshima Nakano- Higashi Store (site) Sphere Tower Tennoz Kita-Aoyama 3 cho-me Building						

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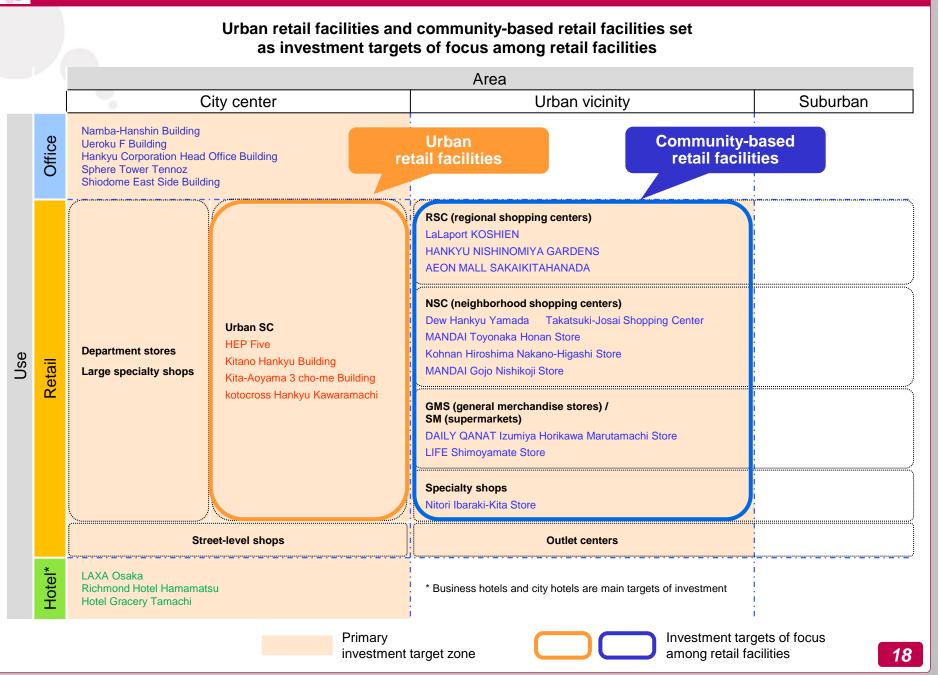


3-3. Information Leads and Leads Considered (20th Fiscal Period)

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3-4. Concrete Property Acquisition Policy for Future



3-5. Retail Facilities



Community-based retail facilities

Provides products and services to serve needs of daily life

Core area (Note) Excellent trade areas such as areas along Hankyu and Hanshin lines



MANDAI Gojo Nishikoji Store (site)



LIFE Shimoyamate Store (site)

HANKYU NISHINOMIYA GARDENS, Dew Hankyu Yamada, etc.



DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

Urban vicinity areas in the Kansai region

Other urban vicinity areas





Maximize opportunities to acquire quality properties by setting areas other than core areas as investment areas, too

Utilize the know-how of the sponsor group in not only the Umeda area and areas along Hankyu and Hanshin lines, but also areas centering on rail stations of major cities nationwide

Urban retail facilities

Provides extraordinary urban entertainment space

Core area (Note) Umeda area HEP Five Kitano Hankyu Building



kotocross Hankyu Kawaramachi

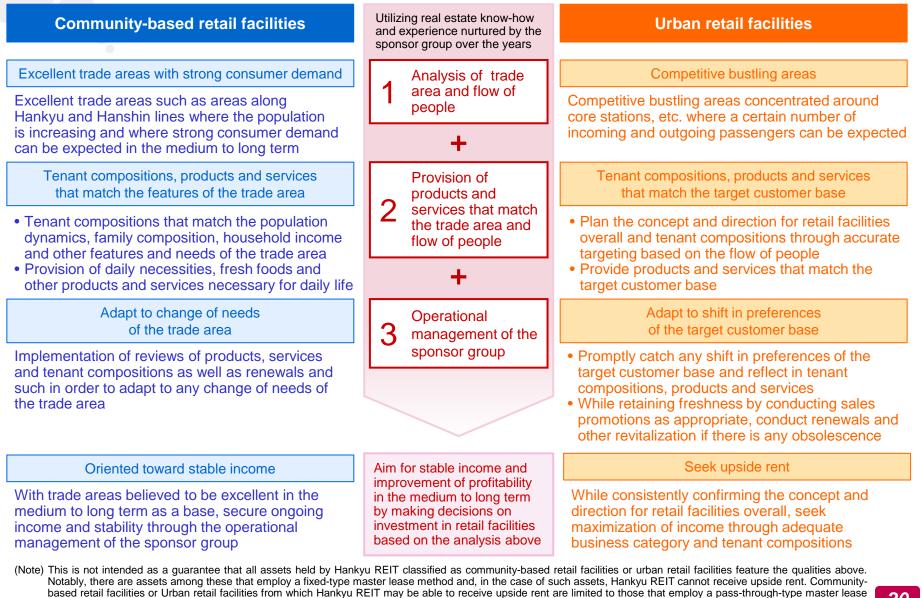
Rail terminals and other bustling areas in the Kansai region



Kita-Aoyama 3 cho-me Building

Other bustling areas

Points to Investment Decisions and Management of Retail Facilities

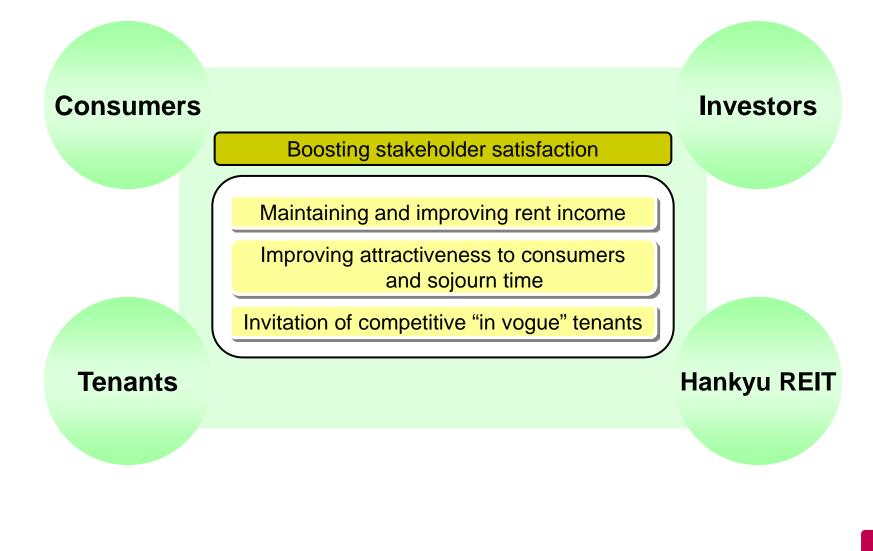


or direct lease method, those that employ a fixed-type master lease method but have introduced a certain level of variable rent, etc.

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

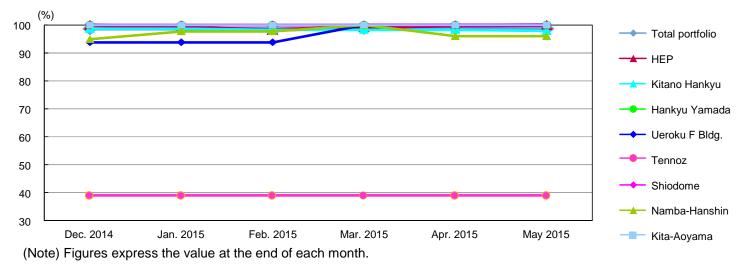


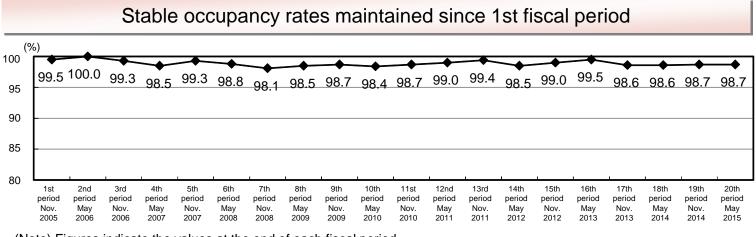
4-2. Occupancy Rate for Individual Properties (Occupancy by End-Tenants)

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Total portfolio occupancy rate of 98.7% (end of 20th fiscal period)

The graph excludes the 15 properties (Takatsuki-Josai, Nitori Ibaraki, Kohnan Hiroshima, Tamachi, LaLaport KOSHIEN, LAXA Osaka, Hamamatsu, NISHINOMIYA GARDENS, Hankyu Corporation Head Office, SAKAIKITAHANADA, MANDAI Toyonaka Honan, Izumiya Horikawa Marutamachi, kotocross, LIFE Shimoyamate and MANDAI Gojo Nishikoji) leased to single tenants (occupancy rates of 100%).





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

Sphere Tower Tennoz

Promote leasing activities that appeal completion of value-enhancement work

As rents are on an upward trend due to decreased vacancy rate in the Tokyo metropolitan area, areas that can provide large space all at once at undervalued rent are being limited to just the Bay area.

Promoting leasing activities based on area/building features while continuously appealing value-enhancement work at common-use portions, etc. amidst environment where tenant attraction being improved.

Hotel Gracery Tamachi

Filed counterclaim claiming increase in rent

Fujita Kanko Inc., a lessee, filed for reduction in the amount of rent against Hankyu REIT in October 2014.

Hankyu REIT recently decided existing rent should be increased in amount given the 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, and thus filed the counterclaim on July 6, 2015 claiming increase in amount of rent.

Status of value-enhancement work at Sphere Tower Tennoz

Atrium





Richmond Hotel Hamamatsu

Conducted a major renewal

In an aim to improve customer satisfaction, carried out a major renewal such as updating of air conditioning and beautifying guest rooms at the burdens on tenant. Entire hotel was closed for approximately one month from the early February 2015 for the renewal.

RevPAR, a revenue indicator, is on an upward trend after the renewal due to the increase in ADR.

Signboards





Ueroku F Building

Achieved occupancy rate of 100%

Attracted a tenant with the rent at a level above market rents and achieved occupancy rate of 100%. (93.8% at end of the 19th fiscal period)

Will continue to strengthen tenant relations through cooperation with the PM company



Properties mainly using the fixed-rent system

Property name	Main rent system	Present conditions
HANKYU NISHINOMIYA GARDENS RSC (Note 1)	Long-term, fixed	Rent income is stable based on a fixed-type master lease method (Note 2) with Hankyu Corporation. Tenants are performing well, as evident by such as sales increasing for six consecutive years since opening in 2008 to reach JPY 79.0 billion in fiscal 2014 due in part to the renewal implemented in March 2014.
Dew Hankyu Yamada NSC (Note 1)	Long-term, Fixed (partly overage)	The occupancy rate is performing stably at 100%. Sales of Toys"R"Us and Babies"R"Us, where sales-based overage rent system has been introduced, continues to be strong. As a large-scale retail facility will open nearby in fall 2015, considerations on sales promotion strategies, etc. are underway.
Kitano Hankyu Building Specialty shop building (urban SC)	Fixed (partly overage)	The occupancy rate at the end of the period was 97.9%, maintaining the same level from the end of the previous period (19th fiscal period). In June 2015, attracted new stores into vacant spaces in the B1F. Along with continuously advancing leasing activities for tenants that will have synergistic effects with existing tenants and for tenants that will serve to revitalize the facility, focusing efforts in improving attractiveness to customers such as by holding events in conjunction with local events, etc.



Event at HANKYU NISHINOMIYA GARDENS

(Note 1) RSC: Regional Shopping Center; NSC: Neighborhood Shopping Center



Event at Dew Hankyu Yamada

(Note 2) 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.

Properties mainly using the fixed-rent system

Property name	Main rent system	Present conditions
Takatsuki-Josai Shopping Center	Long-term, fixed	Rent income is stable based on a fixed-type master lease method (Note 2) with Kohnan Shoji Co., Ltd.
NSC (Note 1)	Long-term, inted	As a community-based retail property, it is comprised of shops that fulfill the needs of nearby residents, such as a home center, supermarket, electronics store and sporting goods shop.
Hankyu Corporation Head Office Building Office	Long-term, fixed	Rent income is stable based on a fixed-type master lease method (Note 2) with Hankyu Corporation. The main base of Hankyu Hanshin Holdings Group, and Hankyu Corporation uses it as its head office building.
Nitori Ibaraki-Kita Store (site) Specialty shop	Long-term, fixed	Rent income is stable based on a contract for fixed-term land lease for business purposes with Nitori Holdings Co., Ltd. Development of residential land is underway nearby and the trade area population is increasing. Sales results of the tenant have been maintained to be favorable.
kotocross Hankyu Kawaramachi Specialty shop building (urban SC)	Long-term, fixed	Rent income is stable based on a fixed-type master lease method (Note 2) with Hankyu Corporation. Comprised of merchandise shops, restaurants and service shops as a property that features the characteristics of a landmark, facing the Shijo-Kawaramachi crossing.
DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	Longterm, fixed	Rent income is stable based on a contract for fixed-term land lease for business purposes with Izumiya Co., Ltd. Opened in December 2013. Morning fair held once a week continues to perform well.
SM (Note 1)		The store is becoming more well-known and sales are steadily increasing.
MANDAI Gojo Nishikoji		Rent income is stable based on a contract for fixed-term land lease for business purposes with Mandai Co., Ltd.
Store (site)	Long-term, fixed	The building was completed on November 25, 2014 and opened on December 3, 2014.
NSC (Note 1)		As a community-based retail facility, tenants are comprised of a supermarket, clothing shop, drug store, 100 yen shop and other shops closely connected to living.
LIFE Shimoyamate		Rent income is stable based on a contract for fixed-term land lease for business purposes with Life Corporation.
Store (site) SM (Note 1)	Long-term, fixed	Opened in January 2014. Sales have been performing well since it is becoming more well-known among the neighboring areas along with its efforts including personal delivery service being highly evaluated.

(Note 1) NSC: Neighborhood Shopping Center; SM: Supermarket

(Note 2) 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.

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4-4. Rent Systems and Present Conditions of 23 Portfolio Properties (End of 20th Fiscal Period)

Properties mainly using the sales-based overage-rent system

Property name	Main rent system	Present conditions
HEP Five Specialty shop building (urban SC)	Overage (fixed + variable)	Continuing to look for shops targeting women in their teens and 20s, the core targets. Although the customer unit price decreased, the number of cash-register-sale customers has been maintained at more than 100% in year-on-year comparison throughout the period. The point card that can be commonly used at Hankyu Hanshin Group facilities, the "Hankyu Hanshin Odekake Card" was introduced in April 2015 aiming to concentrate customers, increase sales and attract more people. Measures to increase visitors and cash-register-sale customers will be continued to be promoted.

Properties using the fixed-rent system

Property name	Main rent system	Present conditions
Kita-Aoyama 3 cho-me Building Urban retail facilities +Office	Fixed	The occupancy rate is 100% as of the end of the period. Occupied by THREE AOYAMA, the flagship store of THREE, a natural cosmetics brand operated by an affiliate of Pola Orbis Holdings Inc.
Shiodome East Side Building Office	Fixed	Attracted a new tenant with the rent at a level above market rents and maintained occupancy rate of 100%. Will continue to promote strengthening tenant relations while reducing costs through preventive building maintenance efforts.
Sphere Tower Tennoz Office	Fixed	Promote leasing activities based on area/building features while appealing value-enhancement work at common-use portions, etc. and turn them into early improvement of occupancy rate and distribution amount.
Namba-Hanshin Building Office	Fixed	Attracted a new tenant with the rent at a level above market rents by utilizing the close proximity to terminal station. Period-end occupancy rate was 96.0%, up 1.1 points from the end of the previous period (94.9%).
Ueroku F Building Office	Fixed	Period-end occupancy rate was 100%, up 6.2 points from the end of the previous period (93.8%), due to attracting a new tenant with the rent at a level above market rents. Will continue to strengthen tenant relations through cooperation with the PM company.

Properties using mainly the fixed-rent system

Property name	Main rent system	Present conditions
LaLaport KOSHIEN		Rent income is stable based on a contract for fixed-term land lease for business purposes with Mitsui Fudosan Co., Ltd.
(site) RSC (Note 1)	Long-term, fixed	Convenience improved for visitors who use the Koshien Station, the nearest station, as improvement works by Hanshin Electric Railway Co., Ltd. including expanding width of the platforms had been made.
LAXA Osaka Hotel	Long-term, fixed	Rent income is stable based on a fixed-type master lease method (Note 2) with Hanshin Electric Railway Co., Ltd. The room occupancy rate of Hotel Hanshin, which is under a sublease contract, remains at a high level, and the guest room unit price is also increasing.
		Based on a contract for long-term and fixed lease with Fujita Kanko Inc. The room occupancy rate remains at a high level, the guest room unit price is also increasing and profitability is improving.
Hotel Gracery Tamachi Hotel	Long-term, fixed	Fujita Kanko Inc., a lessee, filed for reduction in the amount of rent against Hankyu REIT in October 2014. Hankyu REIT recently decided existing rent should be increased in amount given the 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, and thus filed the counterclaim on July 6, 2015 claiming increase in amount of rent.
Kohnan Hiroshima		Based on a contract for fixed-term land lease for business purposes with Kohnan Shoji Co.,
Nakano-Higashi Store (site) NSC (Note 1)		Ltd. Although this retail facility offers high transportation convenience with a home center and a grocery store as tenants, the tenant's management balance sheet is in a tough situation and thus joint efforts will continue to be underway for balance improvement, such as reduction of costs and effective utilization (subleasing) of parking space.
Richmond Hotel		Rent income is stable based on a fixed-type master lease method (Note 2) with RNT HOTELS Co., Ltd. (consolidated subsidiary of ROYAL HOLDINGS Co., Ltd.).
Hamamatsu Hotel	Long-term, fixed	In an aim to improve customer satisfaction, carried out a major renewal such as updating of air conditioners and beautifying guest rooms at the burdens on tenant. Entire hotel was closed for approximately one month from the early February 2015 for the renewal.
AEON MALL SAKAIKITAHANADA	Long town fined	Rent income is stable based on a contract for fixed-term land lease for the shopping center land with land leasehold right, which occupies most of the site.
(site) Long-term, fi RSC (Note 1)		Boasts favorable market potential and formed as a mall of specialty shops that houses about 160 shops with AEON and Hankyu Department Store as the core tenants.
MANDAI Toyonaka		Rent income is stable based on a contract for fixed-term land lease for business purposes with MANDAI Co., Ltd.
Honan Store (site)	Long-term, fixed	Sales have been strong since the property's opening in October 2013.
NSC (Note 1)		As a community-based store, it houses shops closely related to daily life such as a grocery store, drugstore and dry cleaner.

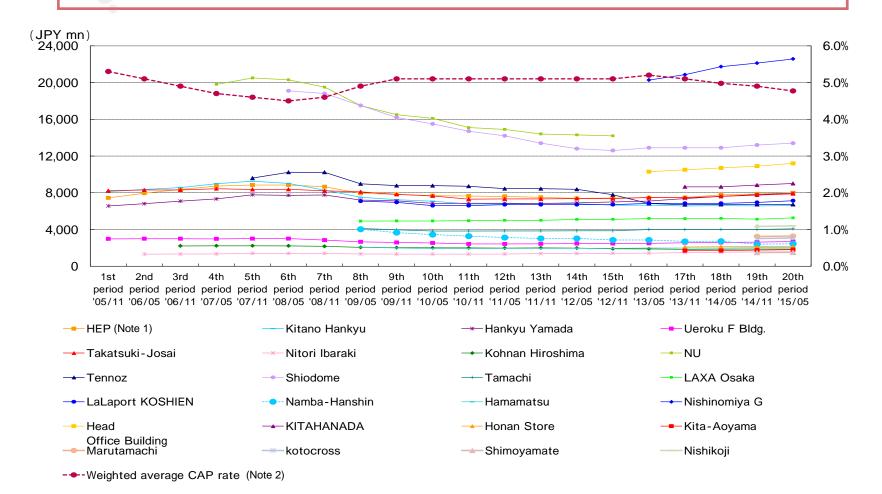
(Note 1) RSC: Regional Shopping Center; NSC: Neighborhood Shopping Center

(Note 2) 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.

4-5. Appraisal Value

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Appraisal value increases by 1.8% and unrealized income is JPY 4,744 mn Cap rate decreases for 22 properties out of 23 properties



(Note 1) Concerning HEP Five, because 31% quasi co-ownership of the trust beneficiary interest was transferred in the 16th fiscal period (April 9, 2013) and differs from the equity ratio ownership of 14%. For comparison, values calculated with the equity ratio of 14% are shown from the 1st to 15th fiscal periods.

(Note 2) Cap rates are the weighted average based on appraisal values.

4-6. List of Appraisal Values

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			evious period period-end)	End of cu (20th fiscal p	rrent period period-end)		Change (-)/	Value recorded on the balance sheet at end of current period	Unrealized income/loss -	Value to book ratio /
	Acquisition price	Appraisal value	Cap rate (Note)	Appraisal value	Cap rate (Note)	Change (-)				
HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	6,468	7,882	4.1%	7,994	4.0%	112	1.4%	5,689	2,304	140.5%
Kitano Hankyu Building	7,740	6,570	5.1%	6,610	5.0%	40	0.6%	7,714	-1,104	85.7%
Dew Hankyu Yamada	6,930	7,810	5.0%	7,930	4.9%	120	1.5%	5,727	2,202	138.4%
Takatsuki-Josai Shopping Center	8,600	7,745	5.5%	7,890	5.4%	145	1.9%	7,357	532	107.2%
Ueroku F Building	2,980	2,630	5.7%	2,690	5.6%	60	2.3%	2,710	-20	99.2%
Nitori Ibaraki-Kita Store (Site)	1,318	1,560	5.5%	1,590	5.3%	30	1.9%	1,340	249	118.6%
Kohnan Hiroshima Nakano-Higashi Store (Site)	2,175	1,880	6.1%	1,880	6.0%	0	0.0%	2,280	-400	82.4%
Sphere Tower Tennoz (33% of the quasi co- ownership of the trust beneficiary interests)	9,405	6,732	4.7%	6,732	4.7%	0	0.0%	8,723	-1,991	77.2%
Shiodome East Side Bldg.	19,025	13,200	4.5%	13,400	4.4%	200	1.5%	17,723	-4,323	75.6%
Hotel Gracery Tamachi	4,160	4,010	5.0%	4,080	4.9%	70	1.7%	3,815	264	106.9%
LAXA Osaka	5,122	5,120	5.3%	5,270	5.2%	150	2.9%	4,422	847	119.2%
LaLaport KOSHIEN (site)	7,350	6,950	4.8%	7,140	4.7%	190	2.7%	7,748	-608	92.1%
Namba-Hanshin Building	4,310	2,410	5.2%	2,450	5.1%	40	1.7%	3,905	-1,455	62.7%
Richmond Hotel Hamamatsu	2,100	2,021	6.1%	2,060	6.0%	39	1.9%	1,542	517	133.5%
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	18,300	22,120	4.8%	22,568	4.7%	448	2.0%	17,986	4,581	125.5%
Hankyu Corporation Head Office Building	10,200	10,900	4.6%	11,200	4.5%	300	2.8%	9,965	1,234	112.4%
AEON MALL SAKAIKITAHANADA (site)	8,100	8,840	4.8%	9,010	4.7%	170	1.9%	8,189	820	110.0%
MANDAI Toyonaka Honan store (site)	1,870	2,150	4.9%	2,180	4.8%	30	1.4%	1,889	290	115.4%
Kita-Aoyama 3 cho-me Buiding	1,680	1,760	4.0%	1,810	3.9%	50	2.8%	1,744	65	103.8%
DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	3,100	3,250	4.8%	3,290	4.7%	40	1.2%	3,127	162	105.2%
kotocross Hankyu Kawaramachi	2,770	3,010	4.9%	3,090	4.8%	80	2.7%	2,765	324	111.7%
LIFE Shimoyamate Store (site)	1,421	1,490	4.8%	1,510	4.7%	20	1.3%	1,434	75	105.3%
MANDAI GOJO Nishikoji Store (site)	4,182	4,340	4.9%	4,390	4.8%	50	1.2%	4,213	176	104.2%
Total	139,307	134,380	4.9%	136,764	4.8%	2,384	1.8%	132,019	4,744	103.6%

(Note) Cap rates are cap rates and discount rates based on the direct capitalization method used for appraisal value calculations (Nitori Ibaraki-Kita Store (site), Kohnan Hiroshima Nakano-Higashi Store (site), LaLaport KOSHIEN (site), AEON MALL SAKAIKITAHANADA (site) and LIFE Shimoyamate Store (site) are allocated a discount rate using the DCF method.) and the total is the weighted average cap rate based on appraisal values.



Basic Financial Policy

Maintain sound financial position

Maintain favorable trading relationship with financial institutions

Realize lower fund procurement costs

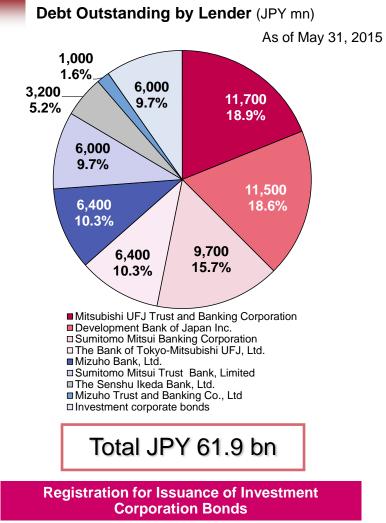
(effective use of security deposits/guarantees)

Reduce financing risks (diversification of debt repayment dates)

Reduce interest rate risks (focus on long-term, fixed-rate loans)

	As of end of 19th period	As of end of 20th period		
Interest-bearing debt	JPY 61.9bn	JPY 61.9bn		
Avg. funding cost (interest-bearing debt + utilized amount of security deposits and guarantees)	1.06%	1.05%		
Avg. debt financing cost (including investment corporation bonds)	1.08%	1.07%		
Avg. remaining years on long-term loans payable and investment corporation bonds	3.6年	5.1年		
Long-term debt ratio	91.9%	100.0%		
Fixed debt ratio	73.8%	93.5%		
LTV (Note)	45.4%	44.4%		
Interest-bearing debt ratio	42.9%	42.9%		
Investment corporation bonds	JPY 6 bn	JPY 6 bn		
Investor rating(R&I)	A+ (stable)	A+ (stable)		
Investor rating(JCR)	AA- (stable)	AA- (stable)		

(Note) Details of the calculation method for, "LTV" are presented on P61.



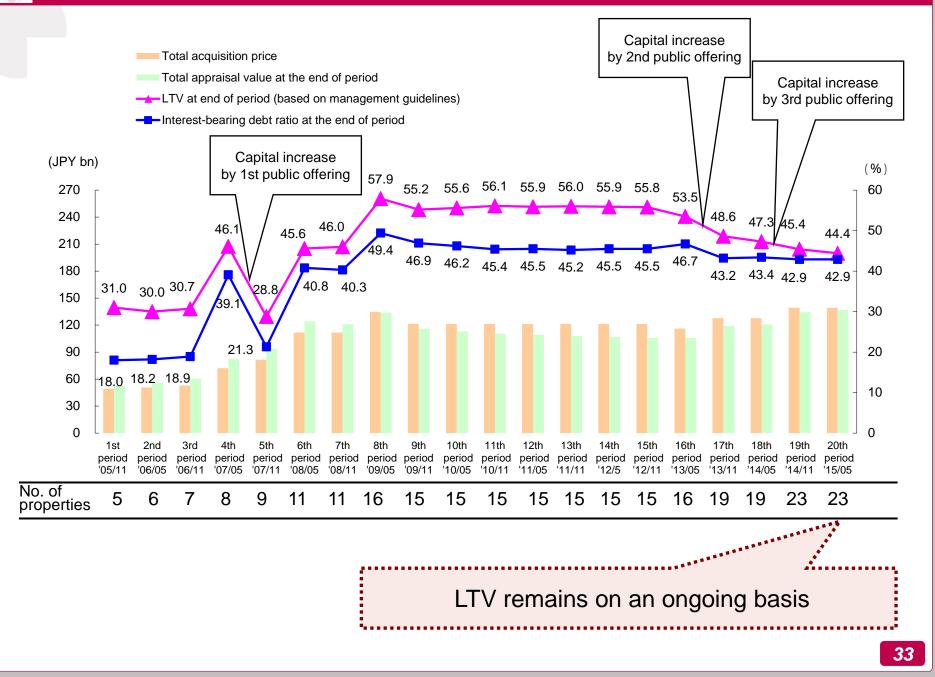
Planned value of issuance (upper limit):

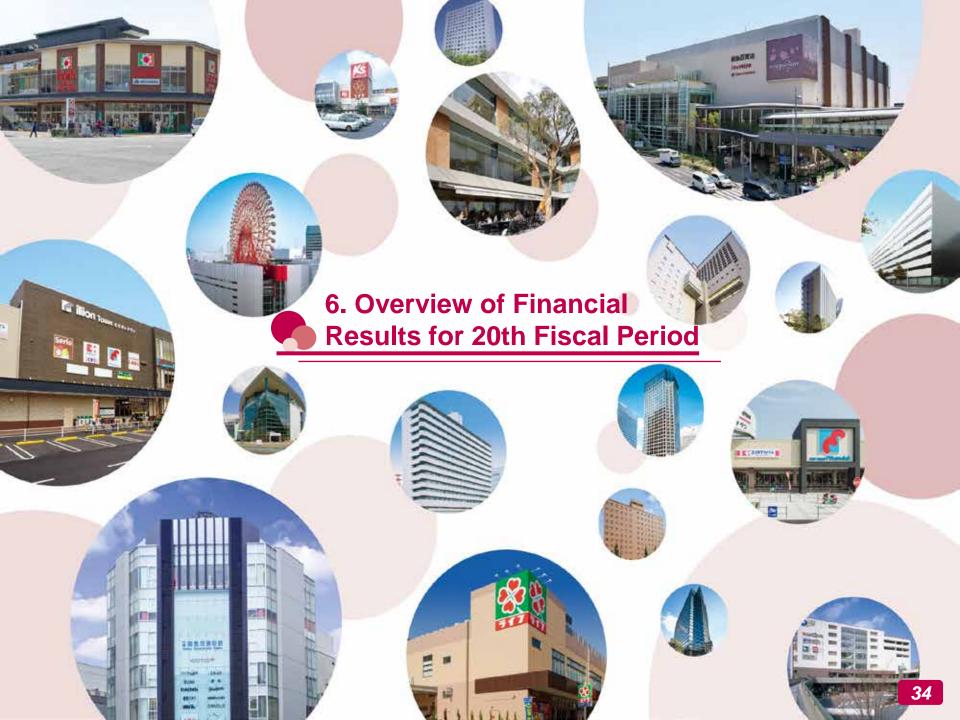
JPY 100,000 mn

Planned issuance period: Dec. 19, 2013 to Dec. 18, 2015

5-2. Asset Scale and LTV (Loan to Value)







	(Unit:JPY mn)				
ltem	Forecast for 20th Fiscal Period (as of Jan. 22, 2015)	Results for 20th Fiscal Period (Dec. 1, 2014 to May 31, 2015)	Change -		(Main fa
Operation period (days)	182	182			Decrease
Operating revenues	4,842	4,842	0	h	Decrease
Operating income	1,921	1,939	18	H	expenses
Ordinary income	1,513	1,535	22		
Net income	1,511	1,534	22		Decrease
Number of outstanding investment units at end of fiscal period (units)	597,500	597,500	—		
Distribution per unit (JPY)	2,530	2,567	37		
FFO per unit (JPY)	4,166	4,197	31		

(Main factors for increase/decrease)

Decrease in maintenance and repair fees +JPY 14 mn

Decrease in advertising and promotion expenses

+JPY 3 mn

Decrease of borrowing cost +JPY 3 mn



Forecast for the 21st fiscal period

Distribution per unit forecast

JPY 2,550

[Main factors for increase/decrease from 20th FP]

• Expensed tax and public dues of properties acquired in the 19th FP for full period:

-15 (kotocross -6, Nishikoji -3, Marutamachi -3, etc.)

					(Unit: JPY mn)
Item	Results for 20th Fiscal Period (Dec. 1, 2014 to May 31, 2015)	Forecast for 21th Fiscal Period (Jun. 1, 2015 to Nov. 30, 2015)	Change -	Results for 19th Fiscal Period (Jun. 1, 2014 to Nov. 30, 2014)	Change -
Operation period (days)	182	183	1	183	_
Operating revenues	4,842	4,865	22	4,786	79
Operating income	1,939	1,923	-15	1,928	-5
Ordinary income	1,535	1,524	-10	1,517	7
Net income	1,534	1,523	-10	1,515	7
Number of outstanding investment units at end of period (units)	597,500	597,500	_	119,500	478,000
Distribution per unit (JPY) *	2,567	2,550	-17	2,537 (12,685)	13
FFO per unit (JPY) *	4,197	4,178	-19	4,164 (20,822)	13

* Hankyu REIT implemented a five-for-one split of its investment units with December 1, 2014 as the effective date.

"Distribution per unit (JPY)" and "FFO per unit (JPY)" in the results for 19th Fiscal Period are figures where the actual values indicated in parentheses are divided by 5.

[Main preconditions]

•There will be no transfer of portfolio properties from the presently held 23 properties

•There will be no additional issuance of investment units to the present 597,500 units until the end of the period

6-3. Income Statement / Cash Distribution Statement

Hankyu REIT

Income	statement
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Item 1. Operating revenues Lease operating revenues 2. Operating expenses	Amount 4,786 4,786 2,857 2,433		20th Fisca (Operation peri Dec. 1, 2014 to Amount 4,842 4,842	od:182 days)	Change
Operating revenues Lease operating revenues	Jun. 1, 2014 to Amount 4,786 4,786 2,857 2,433	Nov. 30, 2014 Percentage 100.0	Dec. 1, 2014 to Amount 4,842 4,842	May. 31, 2015 Percentage	
1. Operating revenues Lease operating revenues	Amount 4,786 4,786 2,857 2,433	Percentage 100.0	Amount 4,842 4,842	Percentage	56
Lease operating revenues	4,786 2,857 2,433		4,842	100.0	56
	2,857 2,433	59.7			
2. Operating expenses	2,433	59.7	0.000		
			2,903	59.9	45
Lease operating costs	000		2,459		
Asset management remuneration	309		333		
Officer remuneration	3		3		
Asset consignment remuneration	17		18		
Adminstrative agency remuneration	33		37		
Auditor remuneration	8		8		
Other operating expenses	51		42		
Operating income	1,928	40.3	1,939	40.1	10
3. Non-operating revenues	2	0.0	1	0.0	-0
Interest earned	0		0		
Other non-operating revenues	1		0		
4. Non-operating expenses	413	8.6	405	8.4	-8
Interest expenses	308		304		
Loan related expense	44		52		
Interest due on investment corporation bonds	37		38		
Amortization of investment corporation bond issuance costs	3		3		
Investment unit issue costs	7		_		
Other expenses	11		7		
Ordinary income	1,517	31.7	1,535	31.7	18
Pretax net income for current period	1,517		1,535		
Corporate, local and enterprise tax	1		1		
Adjustment for corporate tax, etc.	0		-0		
Net income for current period	1,515	31.7	1,534	31.7	18
Retained earnings carried forward from the previous period	0		0		
Unappropriated income for current period	1,515		1,534		

Lease operating revenues / expenses Breakdown: See pages 39 and 40

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Cash distribution statement

(Unit: JPY thousand)

ltem	19th Fiscal Period	20th Fiscal Period	Change
	Amount	Amount	Amount
Unappropriated income for current period	1,515,948	1,534,203	18,254
Distributions	1,515,857	1,533,782	17,925
(Distribution per unit (JPY)) *	(2,537)	(2,567)	(30)
Retained earnings carried forward	90	420	329

* Hankyu REIT implemented a five-for-one split of its investment units with December 1, 2014 as the effective date. Results for the 19th fiscal period are calculated by dividing the actual figures by 5.

(Main factors for increase/decrease)

Increase in operating revenue
Increase in income from lease
(Nishikoji and Namba-Hanshin Building)
+JPY 99 mn
Decrease in utilities expense income
-JPY 37 mn
Reactionary decrease in insurance proceeds -JPY 8 mn
Increase in operating expenses
Increase in maintenance and repair fees
+JPY 63 mn
Decrease in utilities expense
-JPY 52 mn
Increase in asset management remunerations due to expansion of asset scale, etc.
+JPY 24 mn
Increase in advertising and promotion expenses +JPY 13 mn



											(Unit: JPY mn)
	19th Fisca		20th Fiscal		Change		19th Fisca		20th Fiscal		Change
Item	(as of Nov. Amount	30, 2014) Ratio (%)	(as of May. 3 Amount	Ratio (%)	Amount	Item	(as of Nov. Amount	30, 2014) Ratio (%)	(as of May. 3 Amount	31, 2015) Ratio (%)	Amount
ssets	Amount	110 (70)	Anount	Natio (76)	Amount	Liabilities	Amount	Katio (76)	Amount	Kallo (76)	Amount
Current assets total	11,233	7.8	11,554	8.0	320	I Current liabilities total	19,039	13.2	3,826	2.7	-15,212
Currency and demand deposit	2,581		3,226			Operating accounts payable	511		414		,
Currency and demand deposit in trust	8,403		7,970			Short term loans payable	5,000		_		
Operational income receivable	6		4			Long term loans payable					
Deposit paid	112		125			(return within 1 year)	12,400		2,200	հ	
Prepaid expense	128		225			Accrued dividend	13		12		
Deferred income tax assets	0		2			Accrued expenses	144		177		
Fixed assets total	133,041	92.2	132,580	92.0	-461	Income taxes payable	1		1		
1. Tangible fixed assets						Accrued consumption tax	31		99		
Buildings	2,117		2,051			Advance received	703		674		
Structures	241		228			Current deposit received	0		0		
Tools, furniture and fixtures	0		0			Security deposits					
Land	9,485		9,485			(return within 1 year)	233		246		7
Buildings in trust	30,808		30,253			II Total noncurrent liabiliteies	52,073	36.1	67,123	46.6	15,049
Structures in trust	609		593			Investment corporation bonds	6,000		6,000	μ	
Machinery and equipment in trust	194		189			Long term loans payable	38,500		53,700		
Tools, furniture and fixtures in trust	68		67			Security deposits	1,385		1,338		
Land in trust	88,115		88,115			Security deposits in trust	6,188		6,085		
Trust construction account	6		_			Liabilities total	71,113	49.3	70,950	49.2	-162
Tangible fixed assets total	131,647	91.2	130,984	90.9	-662	Net assets					
. Intangible fixed assets						I Unitholders capital	71,659	49.7	71,659	49.7	
Land leasehold	957		957			II Total surplus	1,515	1.1	1,534	1.1	
Others	82		78			Unappropriated income for current period	1,515		1,534		
Intangible fixed assets total	1,039	0.7	1,035	0.7	-4	Net assets total	73,175	50.7	73,193	50.8	18
. Investments, other assets											
Long-fiscal period prepaid expenses	345		550								
Guarantee money deposit	10		10								
Investment, other assets total	355	0.2	560	0.4	205						
Total deferred assets	12	0.0	9	0.0	-3						
Investment corporation bond issuance costs	12		9								
ssets total	144,288	100.0	144,143	100.0	-144	Liabilities and net assets total	144,288	100.0	144,143	100.0	-144

Hankyu REIT

6-5. Income and Expenditure by Property

											(Un	it: JPY mn)
Item	HEP Five (14% of the qua: co-ownership of th trust beneficiary interests)		Dew Hankyu Yamada	Takatsuki-Josai SC	Nitori Ibaraki- Kita Store (site) (Note)	Kohnan Hiroshima Nakano-Higashi Store (site)	Hotel Gracery Tamachi	LaLaport KOSHIEN (site)	Richmond Hotel Hamamatsu (Note)	NISHINOMIYA GARDENS (28% of the quasi co- ownership of the trust beneficiary interests)	AEON MALL SAKAI KITAHANADA (site) (Note)	Mandai Toyonaka Honan Store (site) (Note)
Number of operating da of 20th fiscal period	^{ys} 18	2 182	182	182	182	182	182	182	182	182	182	182
Lease operating revenu total	es 30	8 545	389	284		68	121	257		618		
Income from lease	24	8 376	270	283		68	116	257		617		
Utilities expense inco	me 1	5 113	50	—		—	—	_		_		
Other incomes	4	4 55	68	0		0	4	0		0		
Lease operating costs to	otal 20	0 413	237	159		6	53	109		211		
Property/Facility management fees	4	5 114	73	10		0	1	1		0		
Utilities expense	2	5 152	55	0		—	—	—		_		
Rent paid		3 0	1	22		—	—	0		6		
Advertising and prom expenses	otion 3	6 1	2	—		—	—			—		
Repair expense		7 9	11	23		—	—	2		0		
Nonlife insurance premium		0 1	0	1		—	0	0		2		
Tax and public dues	2	3 50	26	26		6	14	102		58		
Other expenses		7 2	5	0		—	0	1		0		
Depreciation	5	1 81	61	75		—	36	0		141		
Lease operating income	10	7 131	152	125		62	67	147	/	406		
NOI (Lease operating incom Depreciation)	• + 15	8 213	213	200	60	62	103	147	65	548	211	53
Capital expenditure	1	2 29	0	—	_		—	_		24		

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

6-5. Income and Expenditure by Property

Item	Izumiya Horikawa Marutamachi Store (site) (Note)	kotocross Hankyu Kawaramachi	LIFE Shimoyamate Store (site) (Note)	MANDAI Gojo Nishikoji Store (site) (Note)	Shiodome East Side Bldg.	Hankyu Corporation Head Office Bldg.	Ueroku F Bldg.	Sphere Tower Tennoz (33% of the quasi co- ownership of the trust beneficiary	LAXA Osaka	Namba-Hanshin Building	(Ur Kita-Aoyama 3 cho-me Bldg. (Note)	it:JPY mn) Total (23 properties)	
Number of operating days of 20th fiscal period	182	182	182	182	182	182	182	182	182	182	182	_	
Lease operating revenues total		102			403	359	134	115	254	133		4,842	
Income from lease		102			377	359	115	83	254	114		4,392	
Utilities expense income		_			23	_	10	12	_	8		234	
Other incomes		—			3	—	7	19	—	10		215	
Lease operating costs total		40			190	157	89	171	156	128		2,459	
Property/Facility management fees		1			18	1	22	24	1	23		348	
Utilities expense		—			28	—	11	44	—	16		335	
Rent paid		12			0	—	—	—	17	—		65	
Advertising and promotion expenses		—			—	—	—	1	—	—		41	
Repair expense		_			1	_	4	11	3	14		90	
Nonlife insurance premium		0			0	1	0	0	2	0		15	
Tax and public dues		3			21	48	12	28	48	19		555	
Other expenses		0			4	0	2	2	1	1		33	
Depreciation		21			115	106	36	59	81	52		974	
Lease operating income		61			213	201	44	-55	97	4		2,382	
NOI (Lease operating income + Depreciation)	91	83	36	113	328	307	81	3	179	57	35	3,357	
Capital expenditure	_	_	—	—	3	81	10	111	24	15	0	314	
(Main capital expenditure) Hankyu Corporation Head Office Building Construction to update the air conditioning JPY 28 mn Sphere Tower Tennoz JPY 82 mn Value-enhancement work at common-use portions JPY 82 mn (Note) Rent Information is not disclosed as the consent of the tenant was not obtained. 40													

	ltem	19th Fiscal Period	20th Fiscal Period	Remarks
Operation period		183	182	19th fiscal period: Jun. 1, 2014 to Nov. 30, 2014 20th fiscal period: Dec. 1, 2014 to May. 31, 2015
Return On Assets (ROA)		1.1%	1.1%	Ordinary income / {(Total assets at beginning of period + Total assets at end of period) /2 }
	(per annum)	2.2%	2.1%	Calculated from duration of operation
Return On Equity (ROE)		2.2%	2.1%	Net income / {(Net assets at beginning of period + Net assets at end of period) /2 }
	(per annum)		4.2%	Calculated from days of operation
Ratio of net assets at end	d of period	50.7%	50.8%	Net assets / Total assets
Loan To Value ratio at er	nd of period (LTV)	45.4% (45.9%)	44.4% (45.9%)	(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 of at end of period	debts to total assets	42.9%	42.9%	Interest-bearing debt / Total assets
Debt Service Coverage R	atio (DSCR)	8.2times	8.3times	Pre-interest and pre-depreciation net income for current fiscal period / Interest expenses
Net Operating Income (N	OI)	JPY 3,325 mn	JPY 3,357 mn	Net lease operating income + Depreciation
Funds From Operation (F	FO)	JPY 2,488 mn	JPY 2,508 mn	Net income for current fiscal period +Depreciation - Income/loss on sale of real estate





7-1. Portfolio List (As of End of 20th Fiscal Period)

													As of May 3	31, 2015
Classifi- cation	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	Acqusition price (JPY mn)	Investme nt ratio	Appraisal value (JPY mn)	Cap rate (Note 5)
	R1(K)	HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	Kita Ward, Osaka City	Nov. 1998	16.6	6,337.37 (2,958.94)	100.0% (100.0%)	1 (133)	4.6%	Feb. 1, 2005	6,468	4.6%	7,994	4.0%
	R2(K)	Kitano Hankyu Bldg.	Kita Ward, Osaka City	Jun. 1985	30.0	28,194.15 (18,477.35)	100.0% (97.9%)	2 (22)	10.1%	Feb. 1, 2005	7,740	5.6%	6,610	5.0%
	R3(K)	Dew Hankyu Yamada	Suita City, Osaka Prefecture	Oct. 2003	11.7	13,027.28	100.0%	28	4.5%	Feb. 1, 2005	6,930	5.0%	7,930	4.9%
	R4(K)	Takatsuki-Josai Shopping Center	Takatsuki City, Osaka Prefecture	Apr. 2003	12.2	31,451.81	100.0%	1	6.1%	Nov. 15, 2005	8,600	6.2%	7,890	5.4%
	R5(K)	Nitori Ibaraki-Kita Store (site)	Ibaraki City, Osaka Prefecture	—	_	6,541.31	100.0%	1	-	Mar. 29, 2006	1,318	0.9%	1,590	5.3%
	R6	Kohnan Hiroshima Nakano-	Aki Ward,	_	_	25,469.59	100.0%	1	_	Oct. 2, 2006	2,170	1.6%	1,880	6.0%
		Higashi Store (site)	Hiroshima City			60.14				Apr. 9, 2007	5		.,	
	R8	Hotel Gracery Tamachi	Minato Ward, Tokyo	Sep. 2008	6.7	4,943.66	100.0%	1	10.3%	Dec. 25, 2008	4,160	3.0%	4,080	4.9%
acilites	R9(K)	LaLaport KOSHIEN (site)	Nishinomiya City, Hyogo Prefecture	_	_	126,052.16	100.0%	1	6.4%	Jan. 22, 2009	7,350	5.3%	7,140	4.7%
use Fa	R10	Richmond Hotel Hamamatsu	Naka Ward, Hamamatsu City	Sep. 2002	12.7	6,995.33	100.0%	1	14.5%	Jan. 22, 2009	2,100	1.5%	2,060	6.0%
Retail-use Facilites	R11(K)	HANKYU NISHINOMIYA GARDERNS (28% of the quasi co-ownership of the trust beneficiary interests)	Nishinomiya City, Hyogo Prefecture	Oct. 2008	6.7	65,372.41	100.0%	1	9.2%	Apr.16, 2013	18,300	13.1%	22,568	4.7%
	R12(K)	AEON MALL SAKAIKITAHANADA (site)	Kita Ward, Sakai City	_	_	64,104.27	100.0%	2	-	June. 27, 2013	8,100	5.8%	9,010	4.7%
	R13(K)	MANDAI Toyonaka Honan store (site)	Toyonaka city Osaka Prefecture	_	—	8,159.41	100.0%	1	-	June. 27, 2013	1,870	1.3%	2,180	4.8%
	R14(K)	DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	Kamigyo ward, Kyoto city	-	_	3,776.15	100.0%	1	-	June 4, 2014	3,100	2.2%	3,290	4.7%
	R15(K)	kotocross Hankyu Kawaramachi	Shimogyo ward, Kyoto city	Oct. 2007	7.7	4,400.13	100.0%	1	2.6%	June 4, 2014	2,770	2.0%	3,090	4.8%
	R16(K)	LIFE Shimoyamate Store (site)	Chuo ward, Kobe city	_	_	2,397.83	100.0%	1	-	June 4, 2014	1,421	1.0%	1,510	4.7%
	R17(K)	MANDAI Gojo Nishikoji Store (site)	Ukyo-ku Kyoto city	_	_	9,182.80	100.0%	1	-	June 24, 2014	4,182	3.0%	4,390	4.8%

7-1. Portfolio List (As of End of 20th Fiscal Period)

Hankyu REI	an	kyu	RE	1
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Classifi- cation	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	Acqusition price (JPY mn)	Investme nt ratio	Appraisal value (JPY mn)	Cap rate (Note 5)
Office-use facilities	01	Shiodome East Side Bldg.	Chuo Ward, Tokyo	Aug. 2007	7.8	9,286.58	100.0%	6	4.6%	Feb. 29, 2008	19,025	13.7%	13,400	4.4%
Office facil	O2(K)	Hankyu Corporation Head Office Building	Kita Ward, Osaka City	Sep. 1992	22.7	27,369.37	100.0%	1	3.7%	Apr.10 2013	10,200	7.3%	11,200	4.5%
ies	M1(K)	Ueroku F Bldg.	Chuo Ward, Osaka City	Sep. 1993	21.7	4,611.82	100.0%	12	3.2%	Nov. 1, 2005	2,980	2.1%	2,690	5.6%
(complex) facilities	M2	Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary interests)	Shinagawa Ward, Tokyo	Apr. 1993 (Note 6)	22.2	8,807.71	39.0%	20	2.7%	Oct. 2, 2007	9,405	6.8%	6,732	4.7%
	M3(K)	LAXA Osaka	Fukushima Ward, Osaka City	Feb. 1999	16.3	30,339.91	100.0%	1	3.7%	Jan. 22, 2009	5,122	3.7%	5,270	5.2%
Mixed-use	M4(K)	Namba-Hanshin Building	Chuo Ward, Osaka City	Mar. 1992	23.2	9,959.01 (6,456.88)	100.0% (96.0%)	1 (20)	5.1%	Jan. 22, 2009	4,310	3.1%	2,450	5.1%
Mix	M5	Kita-Aoyama 3 cho-me Building	Minato Ward, Tokyo	Sep. 2013	1.7	619.76	100.0%	3	7.4%	Nov. 12, 2013	1,680	1.2%	1,810	3.9%
		Total			14.2	497,459.98 (480,862.62)	98.9% (98.7%)	89 (260)	3.5%		139,307	100.0%	136,764	4.8%

(Note 1) The properties owned by Hankyu REIT are assigned codes classified by facility (type of use) and region.

The letters on the left represent the facility (type of use):

"R" is for retail-use facility, "O" is for office-use facility and "M" is for mixed-use (complex) facility.

The numerals are the numbers assigned to each facility in the chronological order of the acquisition.

The letter "K" in parentheses to the right of the numerals indicates that 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, 14% 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 HANKYU NISHINOMIYA GARDENS, 28% quasi co-ownership of the trust beneficiary interests is indicated as the leasable area.

(Note 4) PML of LaLaport KOSHIEN (site) is calculated for the parking garage space administration building (394.88m2).

(Note 5) Cap rates and discount rates are based on the direct capitalization method used for appraisal value calculations (Nitori Ibaraki-Kita Store (site), Kohnan Hiroshima Nakano-Higashi Store (site), LaLaport KOSHIEN (site), AEON MALL SAKAIKITAHANADA (site) and LIFE Shimoyamate Store (site) are allocated a discount rate using the DCF method.) and the portfolio total is the weighted average cap rate based on appraisal values.

(Note 6) The completion date for the office and store portions is indicated.

7-2. Portfolio View (as of end of 20th Fiscal Period)

Urban retail facilities

HEP Five



kotocross Hankyu Kawaramachi



Kitano Hankyu Building

Kita-Aoyama 3 cho-me Building



Community-based retail facilities

HANKYU NISHINOMIYA GARDENS



AEON MALL SAKAI KITAHANADA (Site)





Community-based retail facilities

DAILY QANAT Izumiya Horikawa Marutamachi Store (site)



Dew Hankyu Yamada



MANDAI Gojo Nishikoji Store (site)



LIFE Shimoyamate Store (site)



Hankyu REIT

Community-based retail facilities

LaLaport KOSHIEN (Site)



Takatsuki-Josai SC



Kohnan Hiroshima Nakano-Higashi Store (Site)



MANDAI Toyonaka Honan Store (Site)



Nitori Ibaraki-Kita Store (Site)



7-2. Portfolio View (as of end of 20th Fiscal Period)

Hotel

LAXA Osaka



Hotel Gracery Tamachi



Richmond Hotel Hamamatsu



Shiodome East Side Building



Office

Hankyu Corporation Head Office Building



Ueroku F Building

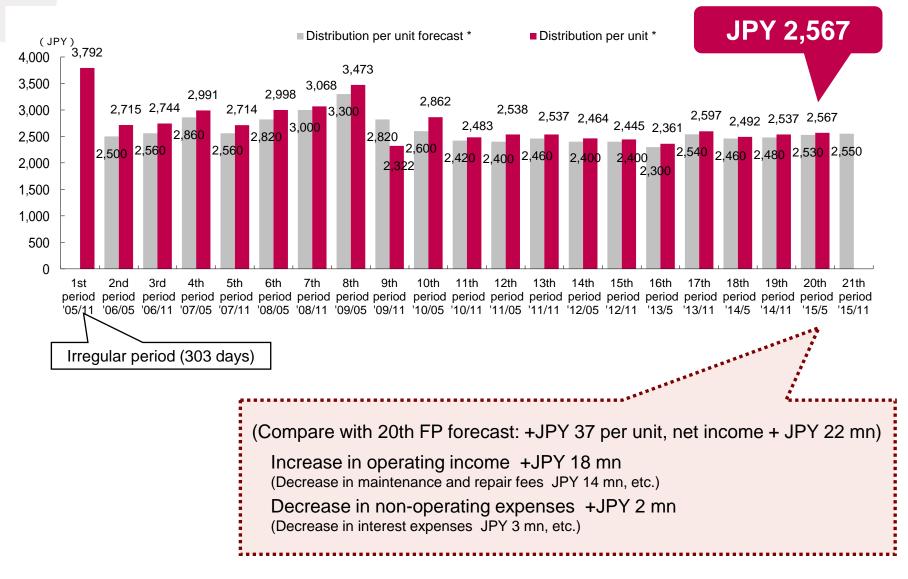


Namba-Hanshin Building



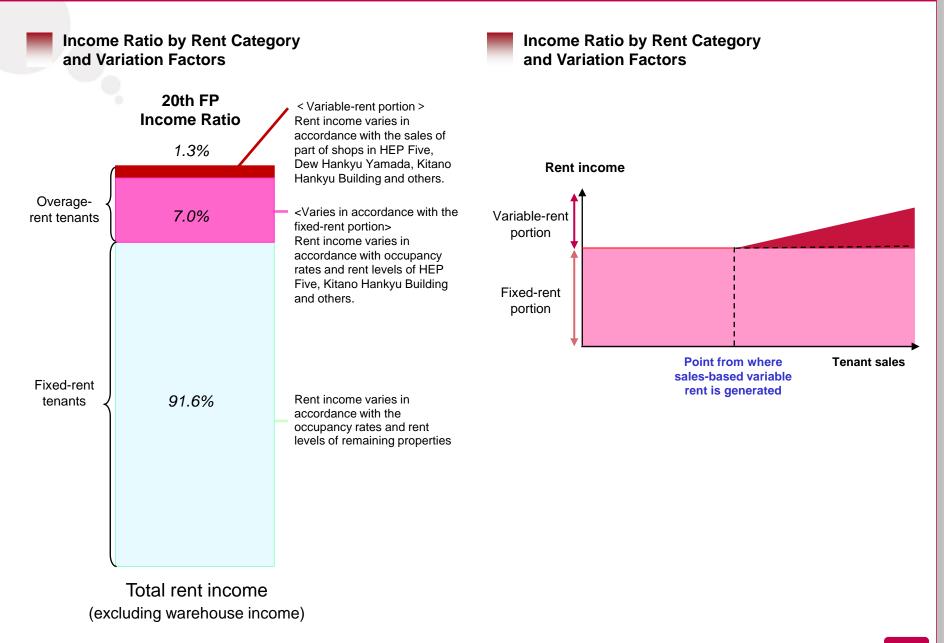
Sphere Tower Tennoz





* Hankyu REIT implemented a five-for-one split of its investment units with December 1, 2014 as the effective date. The graph shows figures that retrospectively reflect the implementation of the 5-for-1 split.

7-4. Income Ratio by Rent Category and Sales-Based Overage Rent System Mechanism Hankyu REIT



Policy for Handling of Site Properties

Hankyu REIT sees retailers to be headed toward increasing neighborhood shopping center, supermarket and other stores to city center and urban vicinity locations in the future amidst progress in the return of the population to highly-convenient regions, aging of the population, increase in one-person households, etc., and there will thus be an increase in site properties of such stores.

In addition, sites are becoming recognized as one of the common investment assets as contracts for fixed-term land lease for business purposes, which have no renewal of contract period, becomes widespread.

Hankyu REIT intends to continue considering acquisition, taking into consideration the balance with building-attached properties.

Key Advantages of Site Properties

No depreciation means a high level of contribution to distributions

In general, tenant departure and risks at the time of departure are low compared to building-attached properties in the case of neighborhood shopping centers, supermarkets, etc.

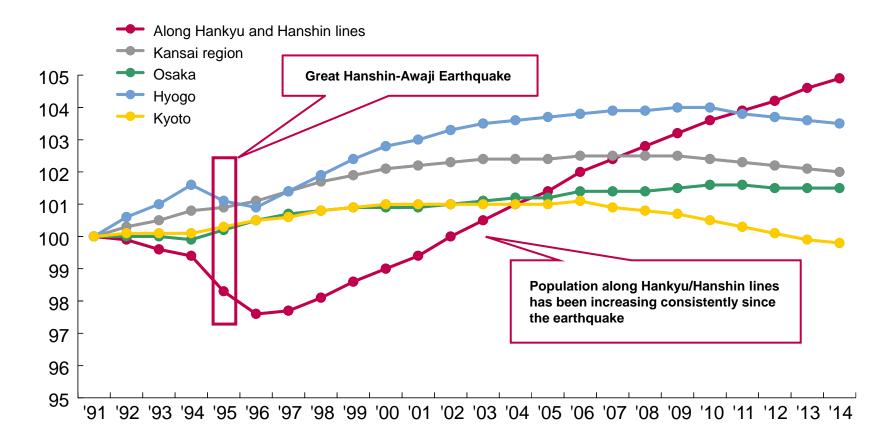
- Tenant owns the building: This means asset retirement and removal costs burden would be required of the tenant upon their departure, making departure highly difficult for the tenant
- Site properties are returned as vacant land in principle: This means that, in addition to attracting replacement tenants, it would also be possible to consider disposition as vacant land

(Retailers often demand buildings to be in their own specifications, making risks at the time of tenant departure high in the case of building-attached properties)

Key Points to Keep in Mind and Hankyu REIT's Countermeasures for Site Properties

Points to keep in mind	Hankyu REIT's countermeasures	
No depreciation means no internal reserve can be made, and unrealized losses may possibly be incurred when land prices drop because the carrying amount does not decrease	For entire portfolio, acquire at the appropriate price, taking into consideration the land/building ratio balance, as well as conducting studies from various aspects that include stress simulations of rent, etc. in the property acquisition stage	
In general, substitutability and liquidity are low in the event of tenant departure	In the property acquisition stage, examine the possibility of attracting replacement tenants and the possibility of disposition of the property as vacant land 51	

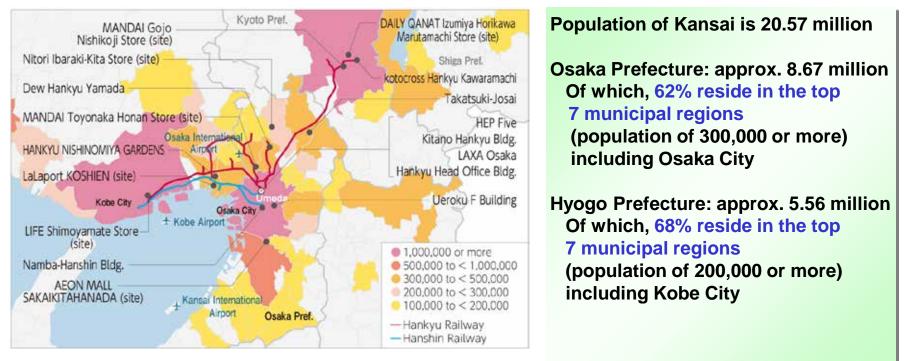
The population in the Kansai region is either remaining flat or is trending downwards due to the aging population along with decreasing birthrate but areas along Hankyu/Hanshin lines are relatively popular and the population in these areas have been increasing consistently after bottoming out in 1996



(Source) Japan Geographic Data Center "Population Summary of the Basic Resident Registers" (Note) The graph indicates the change in populations where the populations in 1991 are set at 100.

- Hankyu REIT
- Concentration of population will heighten due to return of population to city center and urban vicinity
- **I** Retail facilities of Hankyu REIT are located in most populous municipal regions

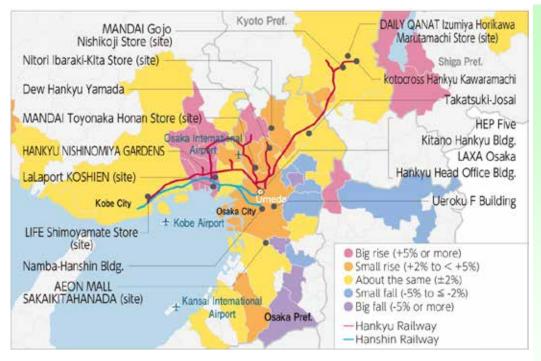
<Populations as of January 31, 2014 of municipal regions with populations of 100,000 or more>



(Source) Japan Geographic Data Center "Population Summary of the Basic Resident Registers" (2014)

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

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



Though Kansai population fell slightly -0.4% (10-year period), the population of city centers such as in Osaka City is +2.2%

Areas along Hankyu/Hanshin lines increased (+3.9%)

Reason for differentiation:

High transportation convenience and high concentration of city facilities

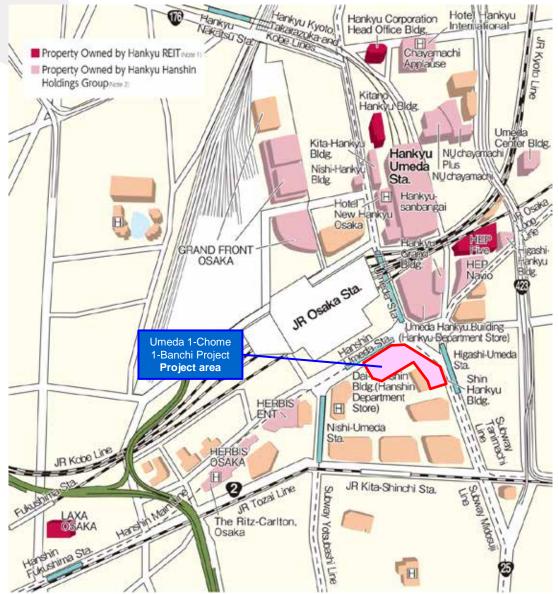
Positive factors to profitability and stability of Hankyu REIT

(Source) Japan Geographic Data Center "Population Summary of the Basic Resident Registers" (2004, 2014)

(Note) With change of the research period for the Basic Resident Registers, comparison is of the population as at the end of March 2004 in the 2004 version and as at January 1, 2014 in the 2014 version.

7-8. Overview of the Hankyu Umeda Area and the "Umeda 1-Chome 1-Banchi Project"

Hankyu REIT



(Note 1) Includes properties jointly owned with the Hankyu Hanshin Holdings Group. (Note 2) Includes properties jointly owned with other companies.



Perspective drawing of the completed "Umeda 1-Chome 1-Banchi Project" (Looking from Umeda Hankyu Building (Hankyu Umeda Main Store))

Location	1-1 Umeda, Kita-ku, Osaka-shi, and other	Department	B2F to 9F	
Lot area	Approx. 12,200m ²	store zone	Total floor area: Approx. 100,000m ²	
Floor area ratio	2,000%	Office zone	11F to 38F	
Total floor area	Approx. 257,000m ²	Office zone	Total floor area: Approx. 140,000m ²	
Number of floors	38 floors above ground and 3 floors below	Conference	11F	
Height	Approx. 190m	zone	Total floor area: Approx. 4,000m ²	
Main use	Department store, office, hall, etc.	Other (parking space, etc.)	Total floor area: Approx. 13,000m ²	

Overview of "construction plan"

1st phase work

Oct. 2014: Start demolition of Shin-Hankyu Building

Feb. 2015: Start demolition of east side of Daihanshiin Building

Spring 2018: Completion of 1st phase buildings

(Shin-Hankyu Building, east section of Daihanshin Building) * Partial opening of new department store

2nd phase work

Spring 2018: Start demolition of west side of Daihanshin Building

Fall 2021: Completion of 2nd phase building

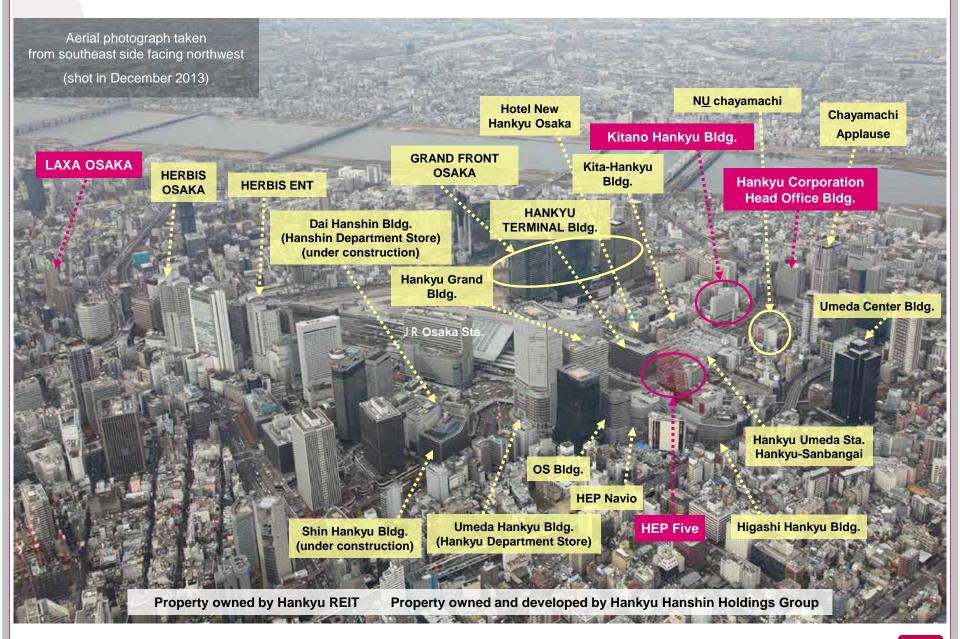
(New department store section)

* Full opening of new department store

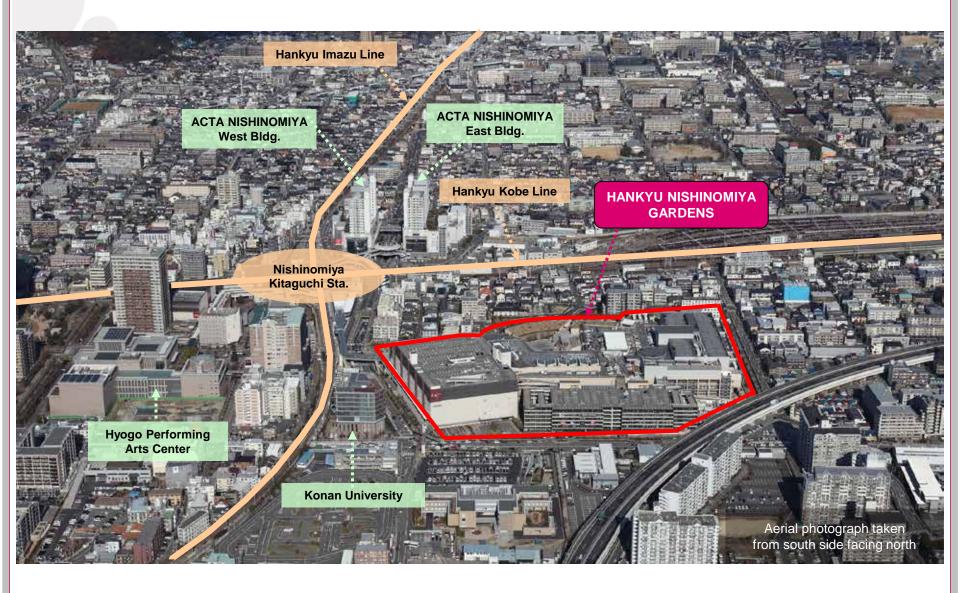
Spring 2022: Full completion

* Opening of office-use zone

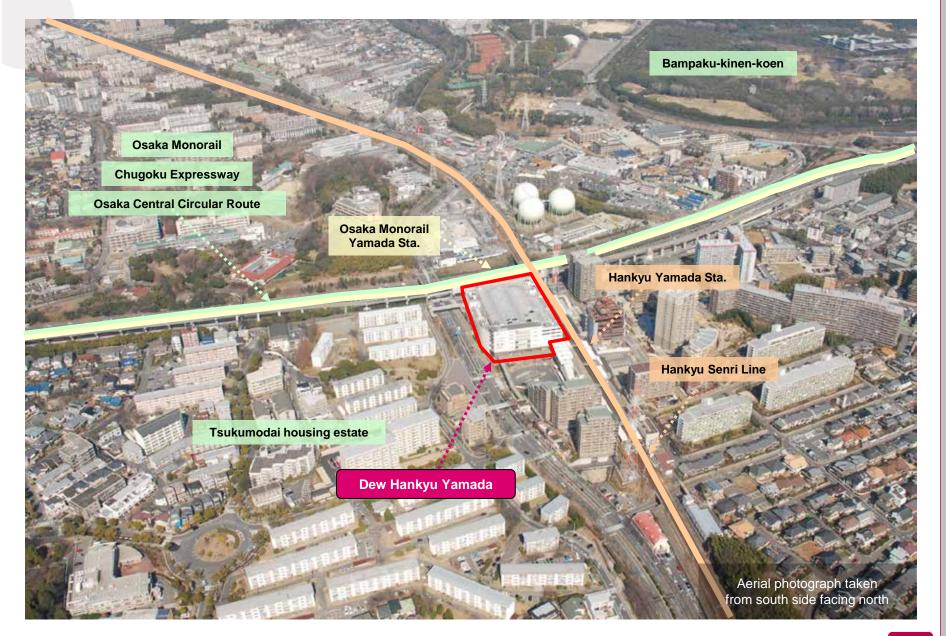
7-9. Main Investment Area of Hankyu REIT "Umeda"



7-10. HANKYU NISHINOMIYA GARDENS and Properties in Vicinity

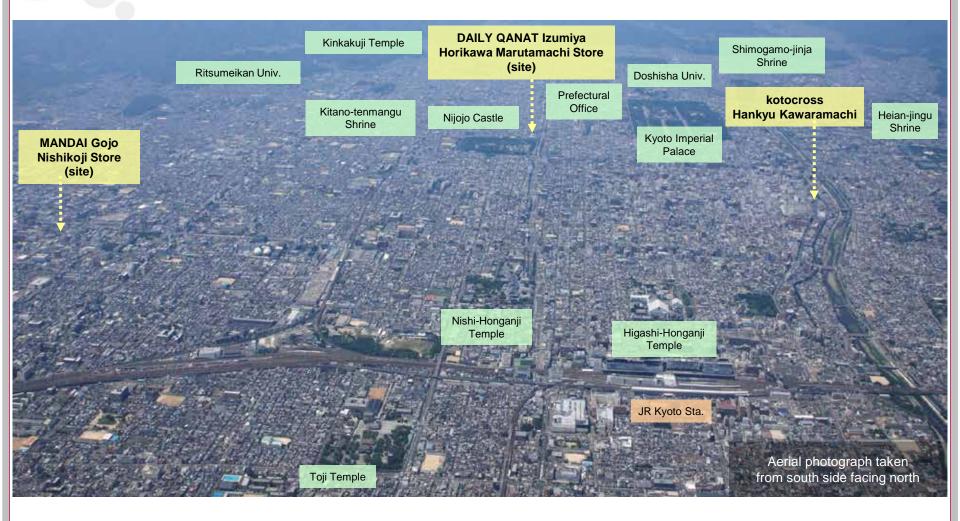


7-11. Dew Hankyu Yamada and Properties in Vicinity



7-12. DAILY QANAT Izumiya Horikawa Marutamachi Store (site) and Properties in Vicinity





Concerning owned real estate or newly acquired assets as of each period: Average NOI yield = [Total real estate lease operation income* - Real estate lease operation expenses* + Total depreciation*] ÷ Total acquisition price

Concerning owned real estate or newly acquired assets as of each period: Average yield after depreciation = [Total real estate lease operation income* - Real estate lease operation expenses*] ÷ Total acquisition price

Unrealized income/loss =

Total appraisal value of owned real estate or newly acquired assets as of each period - Total book value

* Figures based on results. For public charges and taxes, they are posted in expense from the first fiscal year and yields on an on-going basis are calculated.

Amount of outstanding debts + Security deposits or guarantees - Matched money

LTV =

Total amount of assets - Matched money

- When corporate bonds have been issued, the amount of outstanding debts shall include the amount of outstanding bonds.
- Matched money refers to cash or deposits reserved in the trust account to guarantee the deposit or security money for the assets owned by Hankyu REIT as the object of the trust beneficiary interests.
- The total amount of assets refers to the amount in the assets section of the most recent balance sheet for each period. However, with respect to tangible fixed assets, the difference between appraisal value and book value at the end of the fiscal period shall be added to or subtracted from the book value of the tangible fixed assets at the end of the fiscal period.

		As of May	31, 2015
Classifi- cation	Code	Name	PML
	R1(K)	HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	4.6%
	R2(K)	Kitano Hankyu Bldg.	10.1%
	R3(K)	Dew Hankyu Yamada	4.5%
	R4(K)	Takatsuki-Josai Shopping Center	6.1%
	R5(K)	Nitori Ibaraki-Kita Store (site)	-
	R6	Kohnan Hiroshima Nakano-Higashi Store (site)	-
ites	R8	Hotel Gracery Tamachi	10.3%
Facil	R9(K)	LaLaport KOSHIEN (site) (Note)	6.4%
-use	R10	Richmond Hotel Hamamatsu	14.5%
Retail-use Facilites	R11(K)	HANKYU NISHINOMIYA GARDERNS (28% of the quasi co-ownership of the trust beneficiary interests)	9.2%
	R12(K)	AEON MALL SAKAIKITAHANADA (site)	-
	R13(K)	MANDAI Toyonaka Honan store (site)	-
	R14(K)	DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	-
	R15(K)	kotocross Hankyu Kawaramachi	2.6%
	R16(K)	LIFE Shimoyamate Store (site)	-
	R17(K)	MANDAI Gojo Nishikoji Store (site)	-
Office- use facilities	O1	Shiodome East Side Bldg.	4.6%
Off u: facil	O2(K)	Hankyu Corporation Head Office Building	3.7%
	M1(K)	Ueroku F Bldg.	3.2%
Mixed-use (complex) facilities	M2	Sphere Tower Tennoz (33% of the quasi co-ownership of the trust beneficiary interests)	2.7%
ixed com acili	M3(K)	LAXA Osaka	3.7%
Z O #	M4(K)	Namba-Hanshin Building	5.1%
	M5	Kita-Aoyama 3 cho-me Building	7.4%
		Total	3.5%

As of May 31, 2015

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 3.5%.

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%."

(Note) PML of LaLaport KOSHIEN (site) is calculated for the parking garage space administration building (394.88m²).

Hankyu REIT

Relative Price (closing price basis) *



(Relative value based on 100 of the closing price basis on January 6, 2014 / closing price basis)

Per Unit Trading Trends* (Oct. 26, 2005 — June 30, 2015)

(000. 20, 2000	Gano 60, 2010)
High (closing price basis)	JPY 276,000 (June 2007)
Low (closing price basis)	JPY 65,000 (Dec. 2011)
January 6, 2014 -	— June 30, 2015
High (closing price basis)	JPY 167,200 (Jan. 15, 2015)
High (closing price basis)	JPY 102,400 (Mar. 20, 2014)

Price on June 30, 2015 (closing price basis)

JPY 136,300



* Hankyu REIT implemented a five-for-one split of its investment units with December 1, 2014 as the effective date, and investment units started transacting at the split price from November 26, 2014. Investment unit prices in the graphs and table retrospectively reflect the implementation of the 5-for-1split.

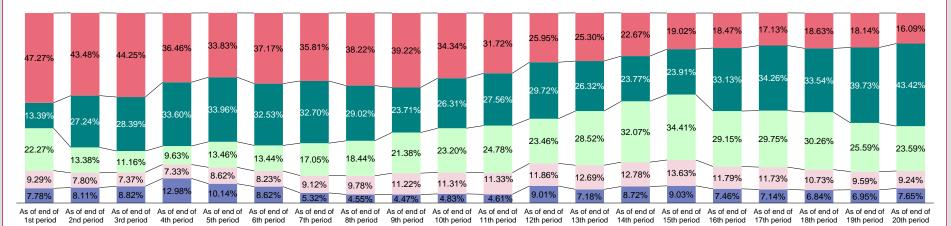
Unitholder Composition

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)	95	0.79%	96,159	16.09%
Trust banks	10	0.08%	259,445	43.42%
Individuals, etc.	11,542	96.36%	140,955	23.59%
Other organizations	228	1.90%	55,212	9.24%
Foreign organizations, etc.	103	0.86%	45,729	7.65%
Total	11,978	100%	597,500	100%

Top 10 Unitholders

Unitholder name	Number of units held	Ownership
Japan Trustee Services Bank, Ltd. (Trust account)	157,922	26.43%
The Master Trust Bank of Japan, Ltd. (Trust account)	54,802	9.17%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	28,055	4.70%
Hankyu Corporation	21,000	3.51%
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	14,943	2.50%
The Senshu Ikeda Bank, Ltd.	12,500	2.09%
THE CHUKYO BANK, Ltd.	7,905	1.32%
STATE STREET BANK AND TRUST COMPANY 505223	7,622	1.28%
Nippon Tosho Fukyu Co.,LTD.	6,205	1.04%
NOMURA BANK (LUXEMBOURG) S. A.	5,905	0.99%
Total investment	316,859	53.03%
Number of outstanding units	597,500	100%

Ratio of Units by Unitholder Category



Foreign organizations, etc.

Other organizations

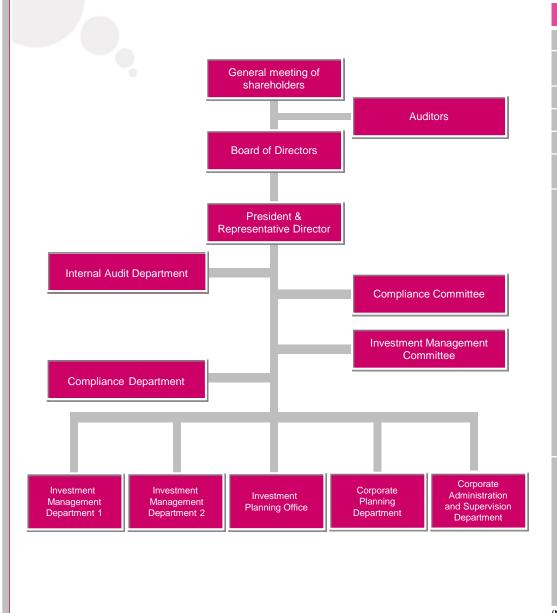
Individuals, etc.
Trust banks

 Financial institutions (excluding trust banks)

7-18. Organization of Hankyu REIT Asset Management, Inc.

Hankyu REIT

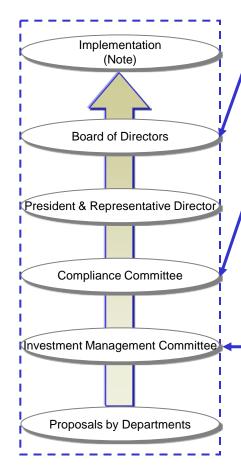
(As of May 31, 2015)



Corporate Data				
Hankyu REIT Asset Management, Inc.				
19-19, Chayamachi, Kita-ku, Osaka 530-0013, Japan				
March 15, 2004				
JPY 300 mn				
Hankyu Corporation (100%)				
23				
President & Representative Director	Yoshiaki Shiraki			
Director	Toshinori Shoji			
Director	Hideo Natsuaki			
Director	Hiroshi Aoyama			
Director (part-time)	Yasuki Fukui			
Director (part-time)	Toyoyuki Komori			
Corporate Auditor (part-time)	Toru Ono (Note)			
Corporate Auditor (part-time)	Ken Kitano			
Corporate Auditor (part-time)	Koji Yoshida			
 Financial instruments trading (investment management business) 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 (3) No. 50641 Approval of discretionary dealing trustee etc.: No.23 by Minister of Iand, infrastructure, transportation and tourism 				
	Hankyu REIT Asset M 19-19, Chayamachi, Japan March 15, 2004 JPY 300 mn Hankyu Corporation M 23 President & Representative Director Director Director Director Director (part-time) Director (part-time) Director (part-time) Corporate Auditor (part-time) Corporate Auditor (part-time) Financial instruments (investment manager Financial product tr Director-General of Ministry of Finance Real Estate Transa			

(Note) Resigned as of June 15, 2015

Build robust compliance and internal audit systems by systematically ensuring multiple check functions based on the basic policy for building internal control systems.



Constituent member

Directors, Corporate Auditors

Decision criteria

A majority of directors in attendance, and approval of a majority of the attending directors are required.

Constituent member

Chairman: Compliance officer Committee members: President & Representative Director, full-time Directors and outside experts Observers: Corporate Auditors (do not participate in resolutions) and other persons recommended by the Chairman and approved by the Committee

Decision criteria

Approval of all of the attending committee members is required under the condition where 3/4 or more of them have attended including Compliance officer and two outside experts.

Constituent member

Chairman: President & Representative Director Vice chairman: full-time director designated by chairman

Committee members: full-time director (excluding Compliance officer), respective department or office managers (other than full-time director or Compliance officer)

Decision criteria

Approval of all of the attending committee members is required under the condition where 3/4 or more of them including the chairman and vice chairman have attended together with the compliance officer.

Compliance System

- Achieve comprehensive compliance by establishing a Compliance Officer and a Compliance Department
- The Compliance Committee, including outside experts, deliberates on Conflicts of Interests Transaction (note)
- The Compliance Officer attends the Investment Committee meeting and checks for compliance issues
- Appointed a person to be in charge of efforts to prevent improper requests and exclude anti-social forces

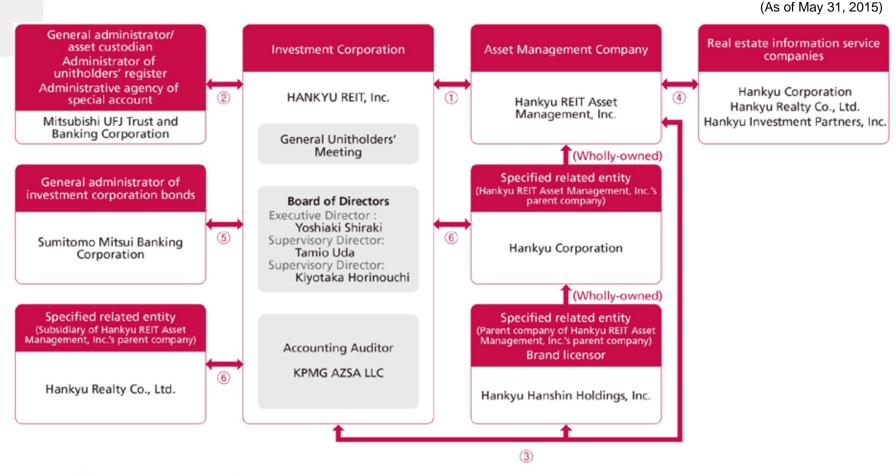
Internal Audit System

- Establish PDCA cycle for improving operations in each department by systematically implementing the internal audit every fiscal year based on the annual internal audit plan.
- Utilize external consulting entity to secure independence of internal audit and obtain an extremely effective internal audit.

(Note) Interested party transactions that meet a certain criteria must gain approval of Hankyu REIT's Board of Directors' Meeting.

7-20. Company Structure of Hankyu REIT

Hankyu REIT



- (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
- Information sharing-related agreement
- (5) Financial agency agreement
- 6 Agreement to transfer part of the assets and lease agreement

(Note) In preparation for the event that the number of Executive and 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 27, 2014.