



Hankyu REIT

For Immediate Release

<Provisional translation>  
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REIT Issuer

**Hankyu REIT, Inc.** (Securities Code: 8977)  
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Yoshiaki Shiraki, Executive Director

Asset Management Company

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Notice Concerning Debt Financing

Hankyu REIT, Inc. (hereafter “Hankyu REIT”) announces its decision made today to undertake debt financing (hereafter “Debt Financing”) as described below.

1. Details of Debt Financing (Scheduled)

| Category             | Lender                                       | Amount of debt financing (millions of yen) | Interest rate (Note)  | Drawdown date     | Lending and repayment methods                       | Maturity date |
|----------------------|--|--|---|-------------------|---|---------------|
| Short-term borrowing | Sumitomo Mitsui Trust Bank, Limited          | 3,300                                      | Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.15% | November 24, 2016 | Unsecured/ non-guaranteed<br><br>Lump-sum repayment | May 31, 2017  |
|                      | Mitsubishi UFJ Trust and Banking Corporation | 500  |   |                   |   |               |
|                      | Sumitomo Mitsui Banking Corporation          | 500  | Variable interest rate                                      |                   |   |               |
|                      | Mizuho Bank, Ltd.                            | 500  |   |                   |   |               |
|                      | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | 500  |   |                   |   |               |
|                      | Mizuho Trust & Banking Co., Ltd.             | 500  |   |                   |   |               |
|                      | The Senshu Ikeda Bank, Ltd.                  | 200  |   |                   |   |               |
| Total                | 6,000  |  |   |                   |   |               |

Note : • Base interest rate applied on the interest to be paid on interest payment date will be JBA 1-month Japanese Yen TIBOR as of two business days prior to the most recent interest payment date (in case of first payment, this will be the drawdown date) of each interest payment date. (The JBA 1-month Japanese Yen TIBOR as of October 24, 2016 is 0.03%.)

- The JBA 1-month Japanese Yen TIBOR can be referenced on the website of the JBA TIBOR Administration: <http://www.jbatibor.or.jp/english/rate/>
- In the future, Hankyu REIT will not provide notification regarding the determination of interest rates related to the aforementioned borrowing. As for changes to the applicable base interest rate, please refer to the website of JBA TIBOR Administration.

## 2. Reason for Debt Financing

These funds will be allocated to part of the acquisition funds of new specified asset ((Tentative name) OASIS Town Itami Konoike (site)) described in "Notice Concerning Acquisition of Domestic Real Estate" announced today.

## 3. Total Amount to be Procured, Use of Funds and Schedule Expenditure Date

(1) Amount to be procured

6,000 million yen (planned)

(2) Specific use of the funds procured

To be allocated to part of the acquisition funds of the specific asset

(3) Expenditure Date (planned)

November 25, 2016

## 4. Balance of Interest-bearing Debt after Execution of Debt Financing

|                                    | Before execution of debt financing (millions of yen) | After execution of debt financing (millions of yen) | Change (millions of yen) |
|------------------------------------|--|---|--------------------------|
| Short-term borrowings              | -  | 6,000   | +6,000                   |
| Long-term borrowings (Note 1)      | 55,900   | 55,900  | ±0                       |
| <b>Total debt financing</b>        | <b>55,900</b>  | <b>61,900</b>                                       | <b>+6,000</b>            |
| Investment corporation bonds       | 6,000  | 6,000   | ±0                       |
| <b>Total interest-bearing debt</b> | <b>61,900</b>  | <b>67,900</b>                                       | <b>+6,000</b>            |

(Note 1) Long-term borrowings are loans with a repayment term (from the drawdown date until the maturity date) exceeding one year.

(Note 2) The figures indicated are the sum of balance of interest-bearing debt as of October 25, 2016 and the amount of the Debt Financing.

## 5. Other

The risks associated with the Debt Financing, such as risks of repayment, have not changed in any material way from the "risks associated with the fund procurement through additional issuance of new investment units, debt financing and issuance of investment corporation bonds" in the "Investment Risks" stated in the Securities Report for the 22nd fiscal period (submitted on August 25, 2016).

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