



For Immediate Release

<Provisional translation>  
October 28, 2016

REIT Issuer

**Hankyu REIT, Inc.** (Securities Code: 8977)  
19-19 Chaya-machi, Kita-ku, Osaka  
Yoshiaki Shiraki, Executive Director

Asset Management Company

**Hankyu REIT Asset Management, Inc.**  
Yoshiaki Shiraki, President & Representative Director  
Contact:  
Hiroshi Yoshida  
General Manager, IR and Public Relations Dept.  
Email: hankyureit-ir@hankyu-rt.jp

Notice Concerning Issuance of Investment Corporation Bonds

Hankyu REIT, Inc. (hereafter "Hankyu REIT") hereby notifies it decided today to issue investment corporation bonds as described below, based on a comprehensive resolution made at its board of directors meeting held on September 27, 2016 for the issuance of investment corporation bonds.

Details

1. Overview of Investment Corporation Bonds

(1) Name of investment corporation bonds

Hankyu REIT Second Series of Unsecured Investment Corporation Bonds  
(with special pari passu conditions among specified investment corporation bonds)  
(hereafter the "Second Series Bonds")

Hankyu REIT Third Series of Unsecured Investment Corporation Bonds  
(with special pari passu conditions among specified investment corporation bonds)  
(hereafter the "Third Series Bonds")

Hereafter, the Second Series Bonds and the Third Series Bonds will be collectively referred to as the "Investment Corporation Bonds." Items that are common to both investment corporation bonds will not be described separately.

(2) Total issue amount of investment corporation bonds

4.0 billion yen

Breakdown: Second Series Bonds	2.0 billion yen
Third Series Bonds	2.0 billion yen

(3) Form of bond certificate

Pursuant to the Act on Book-Entry Transfer of Company Bonds, Shares, etc., which is applicable to the Investment Corporation Bonds, certificates for the Investment Corporation Bonds will not be issued.

(4) Issue price

100 yen per 100 yen of face amount of each investment corporation bond

(5) Redemption value

100 yen per 100 yen of face amount of each investment corporation bond

(6) Interest rate

Second Series Bonds 0.290% per annum

Third Series Bonds 0.900% per annum

(7) Price of each investment corporation bond

100 million yen

(8) Offering method

Public offering

(9) Subscription date

October 28, 2016 (Friday)

(10) Payment date

November 10, 2016 (Thursday)

(11) Collateral or guarantee

No collateral or guarantee is applicable to the Investment Corporation Bonds. No assets are in particular reserved for the Investment Corporation Bonds.

(12) Redemption method and redemption date

The entire amount of the Second Series Bonds will be redeemed on November 10, 2023.

The entire amount of the Third Series Bonds will be redeemed on November 10, 2031.

The Investment Corporation Bonds may be repurchased and cancelled at the option of Hankyu REIT at any time from the day immediately after the payment date, unless otherwise provided for by the book-entry transfer agent.

(13) Interest payment date

May 10 and November 10 of each year

(14) Financial covenants

The Bonds contain a negative pledge.

(15) Rating

AA- (Japan Credit Rating Agency, Ltd.)

(16) Fiscal agent, issue agent and payment agent

Mitsubishi UFJ Trust and Banking Corporation

(17) Underwriters

Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., SMBC Nikko Securities Co., Ltd.

2. Reason for Issuance

Hankyu REIT intends to allocate the funds for part of redemption of Hankyu REIT First Series of Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (hereafter the "First Series Bonds") maturing on November 11, 2016 (total issue amount of 6.0 billion yen). While at the same time, Hankyu REIT will, through the issuance of the Investment Corporation Bonds, continue to conduct financially stable management by reducing financing costs taking advantage of the current low-interest environment, extending periods of interest-bearing debt and diversifying repayment dates.

3. Amount, Use and Scheduled Date of Expenditure of Funds to Be Procured

(1) Amount of funds to be procured (estimated net amount Hankyu REIT will obtain)

3,974 million yen

(2) Details of use and scheduled date of expenditure of funds to be procured

The funds will be allocated for part of redemption of the First Series Bonds. The difference between the amount of funds to be procured and the amount of redemption is planned to be covered with cash on hand.

4. Balance of Interest-bearing Debt after Issuance of Investment Corporation Bonds and New Debt Financing  
(As of November 24, 2016)

	(1) Before issuance (millions of yen)	(2) After issuance (Note 2) (as of November 11, 2016) (millions of yen)	(3) After execution of new debt financing (Note 3) (as of November 24, 2016) (millions of yen)	Change (3)-(1) (millions of yen)
Short-term debt	—	—	6,000	+ 6,000
Long-term debt (Note 1)	55,900	55,900	55,900	±0
<b>Total debt financing</b>	<b>55,900</b>	<b>55,900</b>	<b>61,900</b>	<b>+ 6,000</b>
Investment corporation bonds	6,000	4,000	4,000	-2,000
<b>Total interest-bearing debt</b>	<b>61,900</b>	<b>59,900</b>	<b>65,900</b>	<b>+ 4,000</b>

(Note 1) Long-term debts are loans with a repayment term (from loan execution date until the due date) that exceeds one year.

(Note 2) The figures are the balance of interest-bearing debt as of November 11, 2016 after the redemption of the First Series Bonds.

(Note 3) The figures are the amounts after the execution of debt financing scheduled on November 24, 2016. For the details, please refer to "Notice Concerning Debt Financing" dated October 25, 2016.

5. Other Matters Pertinent to the Appropriate Understanding and Judgments of Investors Concerning the above Information

The risks associated with the Bonds, such as risks of redemption, have not changed in any material way from the "Investment Risks" stated in the most recent Securities Report (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/>