<*Provisional translation*>
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Hankyu REIT

For Immediate Release

REIT Issuer
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Notice Concerning Revision to the Forecasts of Financial Results for the Fiscal Period Ending May 31, 2018 and Forecasts of Financial Results for the Fiscal Period Ending November 30, 2018

Hankyu REIT, Inc. (hereafter "Hankyu REIT") hereby announces a revision to its forecasts of financial results for the fiscal period ending May 2018 (26th fiscal period: December 1, 2017 to May 31, 2018), which was disclosed on July 14, 2017, in the Financial Results for the period ended May 2017.
Hankyu REIT also announces its forecasts of financial results for the fiscal period ending November 2018 (27th fiscal period: June 1, 2018 to November 30, 2018).

Details

1. Revision to the Forecasts of Financial Results for the Fiscal Period Ending May 2018 (26th fiscal period: December 1, 2017 to May 31, 2018)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (not including distributions in excess of earnings)	Distribution in excess of earnings per unit
Prior forecast (A)	4,956 million yen	2,104 million yen	1,734 million yen	1,732 million yen	2,900 yen	0 yen
Revised forecast (B)	5,176 million yen	2,269 million yen	1,885 million yen	1,883 million yen	2,950 yen	0 yen
Change (B - A)	220 million yen	165 million yen	150 million yen	150 million yen	50 yen	0 yen
Rate of change (B - A) / A	4.4%	7.9%	8.7%	8.7%	1.7%	-
(Reference) Previous fiscal period's actual results (Fiscal Period Ended November 2017)	4,902 million yen	2,150 million yen	1,793 million yen	1,718 million yen	2,877 yen	0 yen

Note 1: Total number of investment units issued and outstanding at the end of the 26th fiscal period: 638,500 units (planned)
Note 2: Figures less than a unit has been rounded down. Percentage figures are rounded to one decimal place. The same applies hereafter.

2. Forecasts of Financial Results for the Fiscal Period Ending November 2018 (27th fiscal period: June 1, 2018 to November 30, 2018)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit (not including distributions in excess of earnings)	Distribution in excess of earnings per unit
Fiscal period ending November 2018	5,402 million yen	2,269 million yen	1,917 million yen	1,915 million yen	3,000 yen	0 yen

Note: Total number of investment units issued and outstanding at the end of the 27th fiscal period: 638,500 units (planned)

3. Reason for Revision and Announcement

There were changes in the assumptions for forecasts of financial results for the fiscal period ending May 2018 (26th fiscal period: December 1, 2017 to May 31, 2018), which was disclosed on July 14, 2017, with the incorporation of assets to be acquired announced in “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests” dated November 28, 2017 and “Notice Concerning Acquisition of Domestic Real Estate” dated today and issuance of new investment units announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today. Accordingly, the forecasts of financial results were revised at this point in time.

Furthermore, forecasts of financial results for the fiscal period ending November 2018 (27th fiscal period: June 1, 2018 to November 30, 2018) are announced together with the revision.

Note: The above numerical forecasts are forecasts at this point in time based on assumptions indicated in the attachment. Actual operating revenues, operating income, ordinary income, net income, distribution per unit (not including distribution in excess of earnings) and distribution in excess of earnings per unit may change due to future acquisitions or sale of real estate, fluctuations in the real estate market, change in the number of new investment units that will actually be issued, and other changes in conditions surrounding Hankyu REIT. Furthermore, the forecasts do not guarantee any cash distribution amounts.

If a certain difference is expected from the forecasts above, Hankyu REIT may revise it.

- 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/

[Attachment]

Assumptions for Forecasts of Financial Results for the Fiscal Period ending May 2018 (26th Fiscal Period: December 1, 2017 to May 31, 2018) and the Fiscal Period ending November 2018 (27th Fiscal Period: June 1, 2018 to November 30, 2018)

Item	Assumption
Accounting period	・ 26th Fiscal Period: December 1, 2017 to May 31, 2018 Operating period: 182 days ・ 27th Fiscal Period: June 1, 2018 to November 30, 2018 Operating period: 183 days
Assets under management	・ It is assumed that the two assets planned to be acquired (Vessel Inn Hakata Nakasu announced in the press release “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests” dated November 28, 2017 and METS OZONE announced in the press release “Notice Concerning Acquisition of Domestic Real Estate” dated today) will be acquired on the planned dates of acquisition in addition to the 23 existing properties owned as of today. Additionally, it is assumed that there will be no changes other than these to the assets under management (acquisition of new properties, sales of existing properties, etc.) until the end of the 27th fiscal period (November 30, 2018). ・ However, these assumptions may change if there are any changes in the assets under management.
Operating revenues	・ Calculated based on lease agreements currently in effect for the existing 23 properties and based on lease agreements scheduled to take effect on the planned acquisition date for the two assets planned to be acquired, taking into consideration portfolio property competitiveness, market conditions and other factors. Also, with regard to other factors that might change such as variable revenue or contract cancellation notices, we have made calculations taking into account a reasonable margin for fluctuation in the reported figures based on past financial results and the conditions of individual tenants. ・ It is assumed that there are no rents in arrears or delinquency of tenants.

Operating expenses	・ Expenses of real estate rent, that are principal operating expenses, are calculated based on past financial results (excluding depreciation costs of the existing 23 properties) reflecting factors that might affect expenses. Also, expenses other than the depreciation costs of the two assets planned to be acquired are calculated by reflecting factors that might affect expenses and taking into consideration the information provided by the current owners and lease agreements scheduled to take effect on the planned acquisition dates of the two assets planned to be acquired. ・ Public charges such as property tax, city planning tax, and other taxes are estimated to be 556 million yen for both the 26th and the 27th fiscal periods. In general, public charges such as property tax, city planning tax, and other taxes applicable in the fiscal year of acquisition are calculated on a pro rata basis as of the date of acquisition and shared between the buyer and seller. However, they will not be recorded as expenses upon acquisition as Hankyu REIT capitalizes the amount of these taxes into the acquisition cost. In addition, as for the two assets planned to be acquired, the total amount of public charges such as property tax, city planning tax, and other taxes capitalized into the acquisition cost is estimated to be 63 million yen. ・ For repairs and maintenance expenses of buildings, an estimate of the amount required for each fiscal period is allocated to expenses. ・ The actual repairs and maintenance expenses may, however, differ significantly from the amount estimated, as a substantial amount of unexpected contingent repairs and maintenance expenses may be required, and these expenses differ significantly between fiscal years, and are not incurred on a regular basis. ・ Outsourcing fees for property/facility management are estimated to be 365 million yen for the 26th fiscal period and 378 million yen for the 27th fiscal period. ・ Depreciation costs, including incidental expenses and capital expenditures expected in each fiscal period, are calculated using the straight line method and are estimated to be 879 million yen for the 26th fiscal period and 918 million yen for the 27th fiscal period. ・ Operating expenses other than expenses of real estate rent (asset management fees, asset custodian fees, and administrative service fees) are estimated to be 481 million yen for the 26th fiscal period and 514 million yen for the 27th fiscal period.
Non-operating expenses	・ Temporary expenses for the issuance of new investment units through public offering resolved at the Hankyu REIT's Executive Meeting held today are estimated to be 43 million yen for the 26th fiscal period. ・ Interest expenses and finance related costs are estimated to be 340 million yen for the 26th fiscal period and 351 million yen for the 27th fiscal period.
Interest-bearing debt	・ Hankyu REIT has the balance of interest-bearing debt of 65,900 million yen as of the end of the 25th fiscal period, out of which 61,900 million is debt financing and 4,000 million yen is investment corporation bonds. ・ It is assumed that there will be no increase or decrease in the balance of interest-bearing debt of 65,900 million yen during the 26th and 27th fiscal periods. ・ It is assumed that long-term borrowings of 2,000 million yen and short-term

	borrowings of 4,700 million yen due in the 26th fiscal period will be fully refinanced. ・ It is assumed that long-term borrowings of 1,000 million yen and short-term borrowings of 2,500 million yen due in the 27th fiscal period will be fully refinanced. ・ It is assumed that outstanding balance of investment corporation bonds will be 4,000 million yen and there is no increase or decrease during the 26th and 27th fiscal periods. Moreover, there is no investment corporation bond due for redemption during each fiscal period.
Investment units	・ It is assumed that in addition to the 597,500 investment units issued and outstanding as of today, there is issuance of new investment units through public offering (39,000 units) and issuance of units by third-party allotment through over-allotment (2,000 units) resolved at the Hankyu REIT's Executive Meeting held today, amounting to 638,500 units. It is assumed the additional issuance of investment units by third-party allotment, 2,000 units (max.), will all be issued. For details of the above issuance of new investment units, please refer to the press release "Notice Concerning The Issuance of New Investment Units and Secondary Offering of Investment Units" dated today. ・ It is assumed that there will be no issuance of new investment units other than that until the end of the 27th fiscal period (November 30, 2018).
Distribution per unit (not including distributions in excess of earnings)	・ Distribution per unit is calculated based on the cash distribution policy set in the Hankyu REIT Articles of Incorporation. ・ Distribution per unit may change due to change in rental income resulting from a change in assets under management, a change in tenants, or other factors including unexpected repairs.
Distribution in excess of earnings per unit	・ There is no plan to conduct distribution in excess of earnings per unit.
Other	・ It is assumed that there will be no revisions in the laws and regulations, taxation system, accounting standards, exchange listing rules, or The Investment Trusts Association's regulations that will influence the above financial forecasts. ・ It is assumed that there are no significant unforeseen changes in general economic trends or the real estate market, etc.