



<For translation purposes only>

May 30, 2007

For Immediate Release

REIT Issuer

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

Asset Management Company

**Hankyu REIT Asset Management, Inc.**  
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Notice Concerning the Issuance of New Investment Units and Offering of Investment Units

Hankyu REIT, Inc. (hereafter "Hankyu REIT") announces that resolutions on issuance of new investment units and offering for sale of investment units were passed at its Board of Directors' Meeting held on May 30, 2007. Details are described below.

1. Issuance of New Investment Units and Public Offering

(1) Number of units: 16,000 units

(2) Issue price: To be determined.

The issue price (offering price) will be provisionally determined by multiplying a value in the range 0.90 to 1.00 with the closing price on the Tokyo Stock Exchange on any of the days during the period June 13, 2007 to June 15, 2007 (or if closing price is not available for such date, the closing price on the immediately preceding day). The issue price will be truncated to the nearest yen and will take into account demand for the offering.

(3) Amount to be paid (issue value): To be determined.

To be decided at the Board of Directors' Meeting to be held on the day the issue price is determined.

(4) Total amount to be paid (issue value):

To be determined.

(5) Method of offer:

This is a public offering, and all investment units shall be purchased and underwritten by a syndicate of underwriters of which Nomura Securities Co., Ltd., and Mizuho Securities Co., Ltd., are the joint lead managers. In addition to the aforementioned joint lead managers, the other underwriters are: Mitsubishi UFJ Securities Co., Ltd., Daiwa Securities SMBC Co., Ltd., Nikko Citigroup Limited, and Merrill Lynch Japan Securities Co., Ltd. (including the joint lead managers, hereinafter collectively called the "Underwriters").

(6) Details of underwriting contract: Hankyu REIT shall not pay an underwriting fee. Underwriting fees applicable to the underwriters shall be the difference between the total amount of the issue price (offering) and the total amount to be paid (issue value), which shall be paid to Hankyu REIT by the Underwriters.

(7) Offering unit: Minimum 1 unit; in units of one investment unit.

This press release is not an offer of securities for sale in the United States or elsewhere. This press release provides information concerning the decision by Hankyu REIT for its issue and sale of new investment units to the public in Japan, and is not intended to, nor constitutes a part of, and should not be construed as an offer to sell or a solicitation of an offer to buy any units of Hankyu REIT. Investments are made at the discretion and responsibility of the investor. Please be certain to review Hankyu REIT's investment prospectus (and any relevant revised items) before undertaking any investment.

- (8) Offering period: From June 18, 2007 (Mon.) through June 20, 2007 (Wed.).  
The offering period might be brought forward, considering the demand for offering. The earliest period that it can be brought forward to is from June 14, 2007 (Thu.) through June 18, 2007 (Mon.)
- (9) Payment date: June 25, 2007 (Mon.)  
The payment date might be brought forward depending on the demand for offering. The earliest date that it can be brought forward is June 21, 2007 (Thu.).
- (10) The amount to be paid (issue value) and other necessary items concerning issue of new investment units will be determined at a future Board of Directors' Meeting.
- (11) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

2. Over-allotment (See <Reference> 1. below.)

- (1) Unit seller and number of investment units to be sold:  
Nomura Securities Co., Ltd. 1,000 units  
This is the upper limit for the number of investment units offered. The number may be decreased to adjust for the demand of the offering, or the over-allotment may not be offered at all. The number of investment units to be offered shall be decided based on consideration of the demand for the public offering on the date the issue price is decided.
- (2) Over-allotment unit sale price: To be determined.  
To be decided at the Board of Directors' Meeting held on the date the Board decides the issue price. The sale price shall be the same as the issue price in the public offering.
- (3) Method of over-allotment unit sales: Taking into considering the demand for the public offering, Nomura Securities Co., Ltd. shall offer for sale of Hankyu REIT's investment securities borrowed up to 1,000 units from unitholders of the Hankyu REIT.
- (4) Over-allotment unit: Minimum 1 unit; in units of one investment unit.
- (5) Over-allotment period: The same period as the offering period for the public offering.
- (6) Delivery date: The next business day after the payment date for the public offering.
- (7) The over-allotment unit sale price and other necessary items concerning sale of these of investment units shall be determined at the Board of Directors' Meeting.
- (8) The above items shall be subject to the requisite completion of filing of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

3. Issuance of New Investment Units by Private Placement (See <Reference> 1. below.)

- (1) Number of units: 1,000 units
- (2) Amount to be paid (issue value): To be determined.  
To be decided at the Board of Directors' Meeting held on the day the issue price (issue value) is decided. The amount to be paid (issue value) shall be the same as the amount to be paid for the public offering.
- (3) Total amount to be paid (issue value): To be determined.

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- (4) Subscriber and number of units allocated:  
Nomura Securities Co., Ltd. 1,000 units
- (5) Subscription unit: Minimum 1 unit; in units of one investment unit.
- (6) Offering period (Offering Date): July 23, 2007 (Mon.)

The offering date might be brought forward if the offering period for the public offering is brought forward. The earliest date that it can be brought forward is July 19, 2007 (Thu.); provided, however, the date is on the day after the 30th day that follows after the expiration day of the offering period for the public offering and the over-allotment where the first day of that 30-day period is the day after the aforesaid expiration day.

- (7) Payment date: July 24, 2007 (Tue.)

The offering date might be brought forward if the offering period for the public offering is brought forward. The earliest date that it can be brought forward is July 20, 2007 (Fri.); provided however the date is on the day after the 30th day that follows after the expiration day of the offering period for the public offering and the over-allotment where the first day of that 30-day period is the second day after the aforesaid expiration day.

- (8) If there is no application for investment units to be issued by the end of the abovementioned "(6) Offering Period (Offering Date)," issue of such investment units shall be cancelled.
- (9) The amount to be paid (issue value), and other necessary items concerning issue of new investment units will be determined at future Board of Directors
- (10) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

<Reference>

1. Notes Concerning the Sale of Units Through Over-Allotment

- (1) The decision for an over-allotment is made by considering the demand for the public offering. When it is offered, Nomura Securities Co., Ltd. will offer for sale a maximum of 1,000 units of the investment units borrowed from unitholders of Hankyu REIT. This indicates the upper limit for the number of investment units offered in the over-allotment. This number may be decreased to adjust for the demand in the public offering, or alternatively, over-allotment option may not be executed at all.

For the purpose of obtaining the investment units necessary to return those Nomura Securities borrowed from the aforementioned unitholders in connection with the over-allotment (hereinafter the "Borrowed Investment Units"), Hankyu REIT has made the decision at its Board of Directors' Meeting held on Wed., May 30, 2007, to carry out an issuance by private placement of 1,000 units of new investment units of Hankyu REIT for which Nomura Securities is the subscriber (hereinafter "the Private Placement") with the payment date for that issuance to be the second day after the thirtieth day that follows after the expiration day of the offering period for the public offering and the over-allotment, where the first day of that thirty-day period is the day after the aforesaid expiration day (hereinafter "private placement payment date").

During the period from the day after the expiration day of the offering period of the public offering and over-allotment to the day five business days before the private placement payment date (hereinafter "Syndicate Cover Transaction Period"), Nomura Securities Co., Ltd. may perform a transaction on the Tokyo Stock Exchange to purchase a number of investment units that does not exceed the upper limits of number of investment units of the over-allotment (hereinafter "Syndicate Cover Transaction" for the purpose of returning the Borrowed Investment Units. All the investment units that Nomura Securities Co., Ltd. obtains by the Syndicate Cover Transaction are used to return the Borrowed Investment Units. Nomura Securities Co., Ltd., may decide not to execute the Syndicate Cover Transaction at all during the Syndicate Cover Transaction Period, or the Syndicate Cover Transaction may be finalized before reaching the same number of units as the number of investment units of the over-allotment.

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In addition, Nomura Securities Co., Ltd. may engage in stabilizing transactions in connection to the public offering and the over-allotment, and use all or part of the investment units obtained through those stabilizing transactions to return the Borrowed Investment Units.

The number of investment units that Nomura Securities Co., Ltd. plans to obtain by the Private Placement is the difference derived by deducting the number of units that were obtained by stabilizing transactions or the Syndicate Cover Transactions for the purpose of returning Borrowed Investment Units from the number of units of the over-allotment. For this reason, Nomura Securities Co., Ltd. may not apply for all, or part of the number of units issued by the Private Placement and the result of this forfeit of rights would either be a reduction of the final number of issued units by the private placement or the issuance itself would be cancelled.

- (2) For Nomura Securities Co., Ltd. to engage in the transactions described above in (1), it would require a joint agreement with Mizuho Securities Co., Ltd.

## 2. Number of total Investment Units Issued as a Result of This Issuance of New Investment Units

Investment units currently issued	69,400 units
Increase in investment units by public offering	16,000 units
Investment units issued after public offering	85,400 units
Increase in investment units by the Private Placement	1,000 units (Note)
Total investment units issued after the Private Placement	86,400 units (Note)

(Note) The number of investment units stated above is for the case where Nomura Securities subscribes for all the investment units of the Private Placement and those investment units are subsequently issued.

## 3. Reason for Issuance (Use of Raised Capital)

### (1) Reason for issuance (use of raised capital)

The net proceeds from the public offering (¥20 billion), together with the net proceeds from the issuance of new investment units by the Private Placement (maximum ¥1.25 billion ) will be used to repay short-term borrowings, including a short-term borrowing of ¥20 billion borrowed on March 14, 2007 to acquire the NU chayamachi.

### (2) Change in the use of previously raised capital

None.

### (3) Forecast of influence on Hankyu REIT

Please refer to "Notice Concerning Forecasts of Operating Results for the period ending November 2007" separately released today.

## 4. Distribution of Profit to Unitholders

### (1) Basic policy on distribution of profit

Profits will be distributed according to the cash distribution policy stipulated in the Articles of Incorporation of Hankyu REIT.

### (2) Cash distribution of the past three fiscal periods

	November 2005	May 2006	November 2006
Net income per unit	¥18,962	¥13,579	¥13,723
Distribution per unit	¥18,962	¥13,579	¥13,723
Distribution payout ratio	100.0%	100.0%	100.0%

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## 5. Others

### (1) Equity finance activities of the past three operating years

#### i. Equity finance

Date	Issue amount	Amount invested after issuance	Particulars
December 3, 2004	¥100,000,000	¥100,000,000	Private offer at incorporation
February 1, 2005	¥34,600,000,000	¥34,700,000,000	Private offer

#### ii. Trend of investment unit price over past three and current operating periods

	November 2005	May 2006	November 2006	May 2007
Opening price	¥630,000	¥759,000	¥780,000	¥895,000
High	¥760,000	¥848,000	¥916,000	¥1,410,000
Low	¥630,000	¥687,000	¥679,000	¥845,000
Closing price	¥760,000	¥790,000	¥895,000	¥1,320,000

(Notes) 1. Hankyu REIT publicly listed on the J-REIT section of the Tokyo Stock Exchange on October 26, 2005. There are no details concerning investment unit prices before that date.

2. The investment unit price for the period ended May 2007 is the price as of May 29, 2007.

### (2) Restrictions on sale and issuance etc.

- i. Hankyu Corporation holds 3,500 units of the investment securities connected with today's release. With respect to the public offering, Hankyu Corporation agrees with the joint lead managers not to sell, furnish security, lend etc. (excluding lending the investment securities to Nomura Securities to execute over-allotment), without approval in writing beforehand from the joint lead managers within the period from the date the issue price is decided until the corresponding day one year after the delivery date of the public offering.
- ii. With respect to the public offering, Hankyu REIT agrees with the joint lead managers not to issue (etc.) investment units (excluding the issuance etc. of investment units for the Private Placement) without the approval in writing beforehand from the joint lead managers within the period from the date the issue price is determined until the corresponding day 3 months after the delivery date of the public offering.

In either of the above cases (i) or (ii), the joint lead managers hold the right to cancel all or part of the aforesaid agreement within the abovementioned periods based on their own discretion.

- The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club), Osaka Securities Exchange, Ministry of Land, Infrastructure and Transport, and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure and Transport.
- Hankyu REIT website: <http://www.hankyu-reit.jp/>

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