



<For translation purposes only>

May 30, 2007

For Immediate Release

REIT Issuer

Hankyu REIT, Inc. (Securities Code: 8977)
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Asset Management Company

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Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending November 30,2007

Hankyu REIT, Inc. (hereafter "Hankyu REIT") announces its forecasts for the fiscal period from June 1, 2007, to November 30, 2007. The forecasts are summarized as follows.

1. Forecasts for the Period From June 1, 2007, to November 30, 2007

(in millions of yen, except as noted)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (not including distributions in excess of earnings) (yen)	Distribution in Excess of Earnings per Unit (yen)
Period ending November 30, 2007	3,486	1,081	1,080	¥12,500	¥0

(Reference) Expected number of investment units outstanding as of November 30, 2007: 86,400 units

(Note) The above figures are stated in units of millions of yen. Fractional unit amounts are discarded.

2. Reason for Announcement

Hankyu REIT has decided today by resolution of the Board of Directors' Meeting to issue investment units and sell investment units in order to procure funds to pay off borrowed funds. Consequently, we announce the forecasts for the fiscal period ending November 30, 2007.

3. (Reference) Forecasts of Financial Results for the fiscal period from December 1, 2006, to May 31, 2007

The forecasts of the financial results for the fiscal period from December 1, 2006, to May 31, 2007, as announced in our financial results for the period from June 1, 2006, to November 30, 2006, on January 26, 2007, is as follows.

Disclaimer:

This document is expressly a press release regarding forecasts of the financial results for the periods ending in May 2007 and November 2007 and is generally a public document of Hankyu REIT. Statements and disclosures here are not for the purpose of solicitation of funds. Investments have risks, and it is the responsibility of investors to obtain and review all investment prospectus (including any and all corrected or revised items within those documents) related to the issuance or sale of investment units. Investments are made at the discretion and responsibility of the individual investor.

(in millions of yen, except as noted)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (not including distributions in excess of earnings) (yen)	Distribution in Excess of Earnings per Unit (yen)
Period ending May 31, 2007	3,235	994	992	¥14,300	¥0

(Reference) Number of investment units outstanding as of May 31, 2007 : 69,400 units

(Note) The above figures are stated in units of millions of yen. Fractional unit amounts are discarded.

Note: The above forecasts are calculations based on current conditions with a given set of specific assumptions. Future acquisitions or sale of real estate, fluctuations in the real estate market, and other changes in conditions surrounding Hankyu REIT have the potential to change our financial results. Furthermore, this forecast is in no way a guarantee of any distribution amount.

In the event we foresee a significant departure from the above forecasts, Hankyu REIT will revise its forecasts accordingly.

- 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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Assumptions for Financial Forecasts for the Period From June 1, 2007, to November 30, 2007

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • Fifth Fiscal Period: June 1, 2007, to November 30, 2007 • Number of days assets managed: 183
Managed assets	<ul style="list-style-type: none"> • No changes in existing 8 real estate assets under management (e.g new property acquisitions, the sale of existing portfolio properties, etc.) • Potential for changes in the forecasts exists if there are changes in the assets under management
Operating revenues	<ul style="list-style-type: none"> • Calculated based on rental contracts currently in effect and taking into consideration portfolio property competitiveness, market conditions and other factors. Also, with regard to other factors such as items that might change 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. • Assumes there are no rental fees in arrears or defaulting tenants
Operating expenses	<ul style="list-style-type: none"> • The calculation of real estate rental business expenses, main part of operating expenses, reflect factors that might affect expenses based on past financial results (excluding depreciation costs). • Property tax, as well as city planning tax are estimated to be 190 million yen. Furthermore, generally these taxes are settled upon transfer of the building from the previous owner to the buyer pro rata according to the owning time of period at the time of acquisition, and we include these taxes in our acquisition cost. • Building repair expenses at the predicted necessary costs are included. Furthermore, the potential exists for unexpended costs arising from damage to buildings from unforeseen factors, and the potential for significant changes in these repairs expenses exists because these expenses may not occur at fixed intervals and the amount in any given fiscal year may vary. • Depreciation costs are calculated by the straight-line method and its calculation basis includes incidental expenses at acquisition and capital expenditures we forecasted for the fifth fiscal period (292 million yen). We assume 592 million yen in depreciation. • Operating expenses unassociated with rental business expenses such as asset management remuneration, asset consignment remuneration and clerical consignment remuneration and office fees are 235 million yen.
Non-operating expenses	<ul style="list-style-type: none"> • Temporary expenses related to the issuance of new investment units in the public offering decided by resolution of the board meeting today. The amount is estimated to be 45 million yen. • Borrowing related costs, such as interest expenses, are estimated to be 89 million yen.
Investment units	<ul style="list-style-type: none"> • Adding to the 69,400 outstanding investment units as of today, we assume an additional 16,000 units in a public offering as decided by the Board of Directors' Meeting held today and another 1,000 units as an over-allotment sale for private placement. Furthermore, the additional investment units issued for private placement limited to 1,000 and all 1,000 will be issued.

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Loans payable	<ul style="list-style-type: none"> • Currently has 31 billion yen in borrowed funds, but plans to reduce this amount with 21.2 billion yen in proceeds from procured funds with the issuance of new investment units. Consequently, we predict the balance of loans payable at the end of the fifth fiscal period will be 9.8 billion yen. The final value of the repayment, however, may change depending on the issuance price of the new investment units.
Distribution per unit	<ul style="list-style-type: none"> • To follow corporate policy and distribute as set out in Hankyu REIT's articles of incorporation. • Depending on factors such as changes in rental income resulting from a change in assets under management, or a change in tenants—including various factors such as unexpected repairs—may result in changes to distribution per unit.
Distribution in excess of earnings per unit (yen)	<ul style="list-style-type: none"> • No current plans.
Other	<ul style="list-style-type: none"> • There will be no revisions in the laws and ordinances, taxation system, accounting standards, exchange listing rules, or The Investment Trusts Association's regulations that will influence the above financial forecasts. • No significant unforeseen or unexpected changes in general economic trends or the real estate market.

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