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For Immediate Release

REIT Issuer

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Notice Concerning the Acquisition of Asset (Finalization of Sale Price)

Hankyu REIT, Inc. (hereafter "Hankyu REIT") announces that the sale price for the acquisition of the asset mentioned below has been decided based on stipulations in the recent contract for the transfer of beneficiary interests (publicly announced in our press release dated January 24, 2007, "Notice Concerning the Acquisition of Asset (Execution of Agreement)" (only in the Japanese language)). Hankyu REIT has decided to execute an MOU with the seller to carry out the transfer. In addition, along with some previously undecided items being finalized, some items have changed, and those details are included in this release. Also, the company plans to announce details of other undecided items when they are finalized.

Furthermore, the details noted below in the section "Before Changes" are from the press release dated January 24, 2007, "Notice Concerning the Acquisition of Asset (Contract Execution)" (only in the Japanese language), and underlined items indicate the points that have changed.

1. Overview of Acquisition

(Before Changes)

- |                                   |  |
|-----------------------------------|--|
| (i) Acquired asset:               | Real estate trust beneficiary interests  |
| Trustee:                          | Mitsubishi UFJ Trust and Banking Corporation   |
| (ii) Property name:               | <u>(Tentative) Shiodome Eastside Building (Note 1)</u>   |
| (iii) Proposed acquisition price: | <u>18,532,249,000 yen – 21,550,155,000 yen (Note 2)</u><br>(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others) |
| (iv) Proposed acquisition date:   | <u>February 2008</u>   |
| (v) Seller:                       | Raira Inc.   |
| (vi) Acquisition funds:           | Not determined   |

Note 1: Construction work commenced for the building on this property in April 2006, but the building is not yet completed. Completion of the building is a requirement for the acquisition for the trust beneficiary rights, which is planned after completion.

Note 2: In accordance with the set of rules prescribed in the transfer agreement, the acquisition price will be linked to the profitability based on the results of the solicitation of new tenants. Also, in principle, it will be determined

by the acquisition date and fall within the range expressed above.

(After Changes)

- (i) Acquired asset: Real estate trust beneficiary interests  
Trustee: Mitsubishi UFJ Trust and Banking Corporation
- (ii) Property name: Shiodome Eastside Building
- (iii) Proposed acquisition price: 19,025,718,075 yen  
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Proposed acquisition date: February 29, 2008
- (v) Seller: Raira Inc.
- (vi) Acquisition funds: Not determined

## 2. Details of Acquisition Financing

(Before Changes)

Property name		<u>(Tentative)</u> Shiodome Eastside Building			
Specific asset type		Trust beneficiary interests (planned)			
Proposed acquisition price		<u>18,532,249,000 yen – 21,550,155,000 yen (Note 1)</u>			
Reference property assessment value (Note 2)		<u>20,110 million yen (As of January 1, 2007)</u> <u>Determined the value of the property as the value of its income through the income direct capitalization method and discounted cash flow method. The capitalization rate for the capitalization method is 4.3%. The discount rate and terminal capitalization rate used to calculate the present value using the DCF-method are 4.0% and 4.4% respectively.</u> (Appraisal organization : Rich Appraisal Institute K.K.)			
Location	Lot no.	<u>5-2-3, Tsukiji, Chuo-ku, Tokyo</u>			
Land	Building coverage	80%	Building (Note 3)	Month/Year Built	Planned September 2007
	Floor area ratio	600%		Structure/Floors	Steel-frame reinforced concrete/8 stories
	Zone use	Commercial zone		Use	Offices
	Lot area	1,932.54 m <sup>2</sup>		Total floor area	<u>12,579.86 m<sup>2</sup></u>
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Design company		Kajima Corporation			
Construction company		Kajima Corporation			
Building recognition organization		Tokyo Metropolitan Government			

Note 1: In accordance with the set of rules prescribed in the transfer agreement, the acquisition price will be linked to the profitability based on the results of the solicitation of new tenants. Also, in principle, it will be determined by the acquisition date and fall within the range expressed above.

Note 2: Because construction for the building is not yet completed, the reference property assessment value is calculated with the assumption that it is the price at the point the building is completed and operational. Furthermore, the plan is to obtain another, fresh appraisal before acquisition.

Note 3: The building is not yet complete, nor is it registered, so these details are from the building's confirmation certificate based on regulations of the Building Standard Law's Article 6, Paragraph 1.

Note 4: The preparer of building appraisal documents and property manager are both undecided at this point because the building is not yet completed. Also, Probable Maximum Loss (PML) from earthquake risk analysis has also not yet been evaluated for the same reasons. Both items are planned to be disclosed once they are determined or evaluated.

(After Changes)

Property name		Shiodome Eastside Building			
Specific asset type		Trust beneficiary interests (planned)			
Proposed acquisition price		<u>19,025,718,075 yen</u>			
<u>Appraised price</u>		<u>19,100 million yen (As of December 3, 2007)</u> (Appraisal organization : Rich Appraisal Institute K.K.)			
Location	<u>Address</u>	<u>5-4-18, Tsukiji, Chuo-ku, Tokyo</u>			
Land	Building coverage	80%	Building	Month/Year Built	<u>August 2007</u>
	Floor area ratio	600%		Structure/Floors	Steel-frame reinforced concrete/8 stories
	Zone use	Commercial zone		Use	Offices
	Lot area	1,932.54 m <sup>2</sup>		Total floor area	<u>11,950.30 m<sup>2</sup></u>
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Design company		Kajima Corporation			
Construction company		Kajima Corporation			
Building recognition organization		Tokyo Metropolitan Government			
<u>Preparer of building appraisal documents</u>		<u>Takenaka Corporation (December 2007)</u>			
<u>Property manager</u>		<u>Not determined</u>			
<u>PML of earthquake risk analysis</u>		<u>4.6% (Evaluators: Engineering &amp; Risk Services Corporation, OYO RMS Corporation)</u>			
<u>Collateral</u>		<u>None</u>			

### 3. Overview of Leasing

(Before Changes)

At this time because the building is not completed, there are no decided tenants. Furthermore, rental area capacity is planned to be 9,298.33m<sup>2</sup>.

(After Changes)

<u>Total number of tenants</u>	<u>5 (Note 1)</u>
<u>Annual rent</u>	<u>888 million yen (Note 2)</u>
<u>Rental area capacity</u>	<u>9,311.32 m<sup>2</sup> (Note 3)</u>
<u>Actual rented area</u>	<u>8,531.25 m<sup>2</sup> (Note 3)</u>
<u>Occupancy rate</u>	<u>91.6% (Note 4)</u>
<u>Security Deposit</u>	<u>760 million yen (Note 5)</u>

Note 1: Current number of tenants.

Note 2: The figure represents a calculation of monthly rental amounts and revenues from common area charges as expressed on existing rental agreements multiplied by 12 months. Figures are rounded to the nearest million yen unit.

Note 3: Rental area capacity is the current total rentable area, and "actual rented area" is the actual area of rental space

occupied by tenants in existing rental agreements. Parking garage space, storage and machinery rooms are not included.

Note 4: The current ratio of actual rented apace to available space. Figure is rounded to the nearest tenth. Parking garage space, storage and machinery rooms are not included.

Note 5: The figure is a result of calculating the total monetary value of security deposits held from existing agreements. The figure is rounded to the nearest million yen unit. Parking garage space, storage and machinery rooms are not included.

#### 4. Overview of Intermediaries

(Before Changes)

(ii) Payment fee 185,322,490 yen – 215,501,550 yen (excluding consumption tax)

(After Changes)

(ii) Payment fee 190,257,180 yen (excluding consumption tax)

Furthermore, the agent in (i) will change from Hankyu Corporation to Hankyu Realty Co., Ltd. as announced in our press release dated August 16, 2007, "Notice Concerning a Change in the Broker for the Property Acquisition."

#### 5. Acquisition Process

(Before Changes)

January 30, 2007 Proposed conclusion of beneficiary interest transfer agreement

September 2007 Proposed construction completion date

February 2008 Proposed acquisition of the trust beneficiary interest

(After Changes)

January 30, 2007 Conclusion of beneficiary interest transfer agreement

August 30, 2007 Construction completion date

December 28, 2007 Proposed conclusion of MOU concerning execution of transfer

February 29, 2008 Proposed acquisition of beneficiary Interest

For further details related to the acquisition of this property, please refer to the press release dated January 24, 2007, "Notice Concerning the Acquisition of Asset (Execution of Agreement)" (only in the Japanese language) and the press release dated August 16, 2007, "Notice Concerning a Change in the Broker for the Property Acquisition."

Furthermore, there is no material effect from the acquisition of this property on the company's operating conditions in the 5th fiscal period (ending November 2007). Forecasts for operating conditions in the 6th fiscal period (ending May 2008) will be publicly disclosed when financial statements and results for the 5th fiscal period are released.

- 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/>

<Attached materials>

- Reference material 1      Overview of Appraisal Report
- Reference material 2      Table of Real Estate Portfolio After the Acquisition of the Property
- Reference material 3      External photograph, information guide

Reference Material 1

Overview of Appraisal Report

PROPERTY NAME	SHIODOME EASTSIDE BUILDING
Appraised Value	19,100,000,000 yen
Appraisal Organization	Rich Appraisal Institute Co., Ltd.
Date of Appraisal	December 3, 2007

Item	Value	Basis for Valuation
Earned Price	19,100,000,000 yen	
Earned Price from Direct Capitalization Method	19,200,000,000 yen	
(i) Gross Return (a + b - c)	930,277,805 yen	
a Income from rental fees	982,281,900 yen	Assessment based on medium- and long-term stable level of rental fee and usage fee averages
b Other income	170,000 yen	Assessment of vending machine income based on contracts.
c Loss from non-occupancy	52,174,095 yen	Assessed non-occupancy rate of 5%.
(ii) Total Costs (a + b + c + d + e + f)	108,356,028 yen	
a Maintenance/administrative fees, etc.	44,891,852 yen	Assessment based on existing contracts.
b Utilities	13,519,968 yen	Assessment based on averages of similar real estate, etc.
c Repairs	4,433,550 yen	Assessment guided by averages of similar real estate, etc.
d Public charges and taxes	42,975,658 yen	Assessment of lot based on considering the premiums in existing insurance contracts. Self-assessment of building guided by similar real estate buildings.
e Casualty insurance premiums	2,535,000 yen	Assessment based on casualty insurance quotations.
f Other expenses	0 yen	None.
(iii) Net rental income (NOI = (i) - (ii))	821,921,777 yen	
(iv) Gain on investment of lump-sum money	13,438,318 yen	Assessment based on a medium- to long-term stable lump-sum money in view of the occupancy rate
(v) Capital expenditures	10,344,950 yen	Assessment guided by averages of similar real estate.
(vi) Net cash flow (NCF = (iii) + (iv) - (v))	825,015,145 yen	
(vii) Capitalization rate	4.3%	Based on portfolio property location, type of building, and existing contractual conditions, among other factors
Price based on discounted-cash-flow method	19,000,000,000 yen	
Discount rate	4.0%	Determined by assessing factors such as capitalization rate on investments in long-term financial products, risk of targeted real estate for investment purposes, and borrowing rates.
Terminal capitalization rate	4.4%	Based on portfolio property location, type of building, and existing contractual conditions, among other factors
Estimated Price	9,560,000,000 yen	
Land ratio	69.0%	Ratio of the land rounded to the nearest tenth as a percentage to the value of the building and its lot
Building ratio	31.0%	Ratio of the building rounded to the nearest tenth as a percentage to the value of the building and its lot

Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value	After assessing the value of income from the property using both the DCF method and the direct-return method, the computed value is used as a reference, and the value of the building and its lot is appraised at 19,100,000,000 yen
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The appraisal value of real estate is an indication of the opinion of the value by the appraiser of the real estate in question and is conducted by an appraisal in accordance with the law and standards related to real estate appraisals at the time of the appraisal. There may be cases where an appraisal of the exact real estate is conducted again, and because of factors such as timing of the appraisal and the appraisal method used by the appraiser, a different value may result. Furthermore, the appraised valuation of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase of the real estate.

## Reference Material 2

Table of Real Estate Portfolio After the Acquisition of the Property

Building No. (Note)	Property Name	Facility (Type of Use)	Area	Acquisition (TBD) Date	Acquisition Price (Actual/ Proposed) (in millions)	Investment Rate
R1 (K)	HEP Five	Retail	Kansai	February 1, 2005	23,100	23.0%
R2 (K)	Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	7.7%
R3 (K)	Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	6.9%
R4 (K)	Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	8.6%
R5 (K)	Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	1.3%
R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Retail	Other areas	October 2, 2006	2,170	2.2%
				April 9, 2007	5	
R7 (K)	NU chayamachi	Retail	Kansai	March 15, 2007	19,300	19.2%
	Subtotal				69,163	68.8%
0	Shiodome Eastside Building	Office	Other areas	February 29, 2008	19,025	18.9%
	Subtotal				19,025	18.9%
M1 (K)	Ueroku F Building	Multi-purpose	Kansai	November 1, 2005	2,980	3.0%
M2	Sphere Tower Tennoz	Multi-purpose	Other areas	October 2, 2007	9,405	9.4%
	Subtotal				12,385	12.3%
	Total				100,573	100.0%

Note: Numbers represent the classification for properties owned by Hankyu REIT by each region and type of use.

Letters represent retail ("R"), office ("O") and multi-purpose ("M").

Numbers represent the chronological order of the acquisition of each facility. Also, the letter "K" in parentheses to the right of these numbers indicates that the property is located in the Kansai region.

Reference Material 3

Image of External Facade



Map of Location and Surrounding Area

