



For Immediate Release

<For translation purposes only>

January 16, 2009

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.
Mineo Yamakawa, President & Representative Director
Contact:
Hideo Natsuaki
General Manager, Investor Relations Dept.
Email: ir@hankyu-rt.jp

Notice Concerning the Acquisition of Assets

Hankyu REIT, Inc. (hereafter "Hankyu REIT") hereby notifies today that the acquisitions of the assets mentioned below have been decided.

Details

1. Overview of Acquisition

(1) LAXA Osaka

- (i) Acquired asset: Real estate trust beneficiary interests
Trustee: Mitsubishi UFJ Trust and Banking Corporation
- (ii) Property name: LAXA Osaka
- (iii) Proposed acquisition price: 5,122,800,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Proposed acquisition date: January 22, 2009
- (v) Seller: ZEKUTO GK
- (vi) Acquisition funds: Debt financing

(2) LaLaport KOSHIEN (site)

- (i) Acquired asset: Real estate trust beneficiary interests
Trustee: Mitsubishi UFJ Trust and Banking Corporation
- (ii) Property name: LaLaport KOSHIEN (site)
- (iii) Proposed acquisition price: 7,350,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Proposed acquisition date: January 22, 2009
- (v) Seller: ZEKUTO GK
- (vi) Acquisition funds: Debt financing

(3) Namba Hanshin Building

- (i) Acquired asset: Real estate trust beneficiary interests
Trustee: Mitsubishi UFJ Trust and Banking Corporation
- (ii) Property name: Namba Hanshin Building
- (iii) Proposed acquisition price: 4,310,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Proposed acquisition date: January 22, 2009
- (v) Seller: ZEKUTO GK
- (vi) Acquisition funds: Debt financing

(4) Richmond Hotel Hamamatsu

- (i) Acquired asset: Real estate trust beneficiary interests
Trustee: Mitsubishi UFJ Trust and Banking Corporation
- (ii) Property name: Richmond Hotel Hamamatsu
- (iii) Proposed acquisition price: 2,100,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Proposed acquisition date: January 22, 2009
- (v) Seller: E-Hotels Network Y.K.
- (vi) Acquisition funds: Debt financing

2. Reason for Acquisition

Based on policies and properties under management as stipulated in our articles of incorporation, we are acquiring 4 properties to obtain steady growth with a focus on an overall balanced portfolio. The information about the properties was provided by Hankyu Hanshin Holdings Group. Also, LAXA Osaka, LaLaport KOSHIEN (site), and Namba Hanshin Building are properties that have been owned previously by Hanshin Electric Railway Co., Ltd. and this acquisition shows the results that can be achieved through collaboration with the aforesaid Group.

Also, with the decision to acquire the 4 properties, we have made the following assessments:

(1) LAXA Osaka

The property is a complex facility, consisting of offices, a hotel (HOTEL HANSHIN), restaurants and cafes, that is located in front of Hanshin Main Line's Fukushima Station and JR Osaka Loop Line's Fukushima Station. Situated in one of the area's most prestigious locations, the property is recognized as a landmark building of the area with a large total floor area.

The hotel portion, which occupies a large portion of the property is operated by Hankyu Hanshin Hotels Co., Ltd. The hotel is suitably competitive as a city hotel, boasting such facilities as 289 guest rooms with natural hot spring bath, a chapel, banquet hall, restaurant and spa.

(2) LaLaport KOSHIEN (site)

The property is a retail facility approximately 5 minutes walking distance from Koshien Station on the Hanshin Main Line. It is in a prime location for transportation convenience. On the northern side of the property is Route 43 (national road), a major trunk road connecting Osaka and Kobe, while on the

western side runs Route 340 (prefectural road). Also, the location has excellent potential as a market area as there is a population of 220,000 within a 3 km area, and 560,000 within a 5 km area.

The property is used as a lot for a retail facility and operating on the property is a shopping mall consisting of a building owned by Mitsui Fudosan Co., Ltd., a large supermarket operated by a company affiliated with the aforesaid company, and about 170 specialty stores ranging from fashion, interior, and variety goods to restaurants and cafes. The mall targets families of three generations with a focus on Japan's second baby boomers (people born approx. 1970–75). Also, Kidzania Koshien is scheduled to open in March 2009, which will further raise the facility's attractiveness to customers.

(3) Namba Hanshin Building

The Namba area in which the property is situated is one of Kansai region's leading areas of concentrated commercial activity, and in Osaka, second only to the Umeda area. Namba serves as a railway terminus that connects 6 railway lines and boasts one of Osaka's highest figures for passengers passing through station gates, second only to Umeda. With the Hanshin Namba Line scheduled to open in March 2009, the area is poised for a new influx of passengers.

The property has excellent transportation convenience. It is in close proximity to the Subway Midosuji Line's Namba Station via the underground city Namba Walk. The total floor area of the property exceeds 3,000 tsubo, which makes the property stand out from the majority of buildings in the surrounding area that have total floor areas less than 1,000 tsubo. For such an area, the property is highly regarded for its size characteristics and the rental spaces, which are without pillars, can be adjusted with partitions.

(4) Richmond Hotel Hamamatsu

The property's location, the city of Hamamatsu is a center of various industrial developments including the manufacturing of transportation equipments, such as motorcycle and automobile, and other manufacturing such as semiconductors and medical devices. The city population is approximately 820,000, which is greater than Shizuoka, Shizuoka Prefecture's capital city, making it the largest city in the prefecture. In April 2007, the city of Hamamatsu became Japan's 16th government-ordinance-designated city.

The property is on Route 152 "Ote-dori" (national road), which traverses the city center in a north/south direction, about 5 minutes drive from JR Hamamatsu Station in a north-western direction. While excelling in terms of visibility and scenic advantage, it is also close to Hamamatsu's city hall. The property is suitably competitive. It is a 218-room hotel for business travelers, and most rooms are spacious single rooms (room floor area 17.6 m²), putting it in a higher grade compared with rival business-traveler hotels even in terms of facility function.

3. Details of the Acquired Asset

(1) LAXA Osaka

Property name		LAXA Osaka			
Specific asset type		Trust beneficiary interest			
Proposed acquisition price		5,122,800,000 yen			
Appraised value		5,130,000,000 yen (As of November 1, 2008) (Appraisal organization: Tanizawa Sogo Appraisal Co., Ltd.)			
Location	Address	5-6-16 Fukushima, Fukushima-ku, Osaka			
Land	Building coverage	80%	Building	Month/Year Built	February 1999
	Floor area ratio	600%/400%		Structure/Floors	Steel frame and steel frame reinforced concrete structure with deck roof and 2 underground levels, 24 floors
	Zone use	Commercial zone		Use	Store, office, hotel, parking garage space
	Lot area	5,678.87 m ² (Note 1)		Total floor area	40,674.12 m ² (Note 2)
	Form of ownership	Right of ownership, leased-land rights		Form of ownership	Stratified right of ownership (floor area of exclusive-use portion 30,339.91 m ²)
Design company		Takenaka Corporation			
Construction company		The consortium composed of Takenaka Corporation, Hanshin Kensetsu Co., Ltd., OBAYASHI CORPORATION, KAJIMA CORPORATION, NOMURA CONSTRUCTION INDUSTRIAL CO, LTD.			
Building recognition organization		Osaka City			
Author of engineering report		Nikken Sekkei Construction Management, Inc. (October 2008)			
Property manager		Hankyu Hanshin Building Management Co., Ltd.			
PML of earthquake risk analysis		3.4% (Evaluator: Engineering & Risk Services Corporation, OYO RMS Corporation)			
Collateral		None			

Note 1: The lot area includes 1,204.93 m² of exclusive rights portion of other stratified owners and 320.49 m² of leased land portion (that Hanshin Electric Railway Co., Ltd. leases from the land owner and then subleases out to the trustee). The portion of the lot that Hankyu REIT is acquiring is 4,153.45 m².

Note 2: The total floor area is the total floor area of the entire building of the property (one building noted in the registry).

(2) LaLaport KOSHIEN (site)

Property name		LaLaport KOSHIEN (site)			
Specific asset type		Trust beneficiary interest			
Proposed acquisition price		7,350,000,000 yen			
Appraised value		7,350,000,000 yen (As of November 1, 2008) (Appraisal organization: Rich Appraisal Institute K.K.)			
Location	Address (Note 1)	1-100 Koshien8ban-cho, Nishinomiya city, Hyogo			
Land	Building coverage	60%	Building (Note 3)	Month/Year Built	April 1981 (Note 4)
	Floor area ratio	200%		Structure/Floors	Steel frame structure with galvanized steel plate roof, 2 floors
	Zone use	Class 2 residential zone		Use	Office
	Lot area (Note 2)	(i) 86,124.96 m ² (ii) 35,737.20 m ² (iii) 4,190.00 m ²		Total floor area	394.88 m ²
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Design company (Note 3)		Sekkei Jimusho General Drafting			
Construction company (Note 3)		Hanshin Doboku Kogyo K.K.			
Building recognition organization (Note 3)		Nishinomiya City			
Author of engineering report (Note 3)		Takenaka Corporation (September 2008)			
Property manager		Hankyu Hanshin Building Management Co., Ltd.			
PML of earthquake risk analysis (Note 3)		6.0% (Evaluator: Engineering & Risk Services Corporation, OYO RMS Corporation)			
Collateral		None			

Note 1: Address is of the retail facility portion.

Note 2: (i) area of the retail facility lot portion; (ii) area of the parking garage space portion on the western side; (iii) area of the parking garage space portion on the eastern side.

Note 3: Details of parking garage space administration building portion. The buildings of the retail facility portion are owned by Mitsui Fudosan Co., Ltd.

Note 4: Renovated in October 2004.

(3) Namba Hanshin Building

Property name		Namba Hanshin Building			
Specific asset type		Trust beneficiary interest			
Proposed acquisition price		4,310,000,000 yen			
Appraised value		4,310,000,000 yen (As of November 1, 2008) (Appraisal organization: Daiwa Real Estate Appraisal Co., Ltd.)			
Location	Address	4-7-14 Namba, Chuo-ku, Osaka			
Land	Building coverage	80%	Building	Month/Year Built	March 1992
	Floor area ratio	1000%		Structure/Floors	Steel frame and steel frame reinforced concrete structure with deck roof and 2 underground levels, 11 floors
	Zone use	Commercial zone		Use	Office, store, parking garage
	Lot area	971.61 m ²		Total floor area	9,959.01 m ²
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Design company		Irie Miyake Architects and Engineers			
Construction company		ARAIGUMI CO., LTD.			
Building recognition organization		Osaka City			
Author of engineering report		Takenaka Corporation (September 2008)			
Property manager		Hankyu Hanshin Building Management Co., Ltd.			
PML of earthquake risk analysis		4.5% (Evaluator: Engineering & Risk Services Corporation, OYO RMS Corporation)			
Collateral		None			

(4) Richmond Hotel Hamamatsu

Property name		Richmond Hotel Hamamatsu			
Specific asset type		Trust beneficiary interest			
Proposed acquisition price		2,100,000,000 yen			
Appraised value		2,100,000,000 yen (As of November 1, 2008) (Appraisal organization: Rich Appraisal Institute K.K.)			
Location	Address	218-1 Motoshiro-cho, Naka-ku, Hamamatsu			
Land	Building coverage	80%	Building	Month/Year Built	September 2002
	Floor area ratio	600%		Structure/Floors	Steel frame structure with deck roof and 11 floors.
	Zone use	Commercial zone		Use	Hotel, store
	Lot area	1,264.43 m ²		Total floor area	6,995.33 m ² (Note)
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Design company		Daiwa House Industry Co., Ltd.; INTER JUNK, INC. (building extension)			
Construction company		Daiwa House Industry Co., Ltd.; Bisou Co., Ltd. (building extension)			
Building recognition organization		Hamamatsu City			
Author of engineering report		Takenaka Corporation (October 2008)			
Property manager		Hankyu Hanshin Building Management Co., Ltd.			
PML of earthquake risk analysis		13.9% (Evaluator: Engineering & Risk Services Corporation, OYO RMS Corporation)			
Collateral		None			

Note: Includes 114.24 m² in floor area of 4 annexed buildings (1 parking garage and 3 changing rooms).

4. Overview of Leasing

(1) LAXA Osaka

Total number of tenants	1 (Note 1)
Principal tenant	Hanshin Electric Railway Co., Ltd.
Annual rent	509 million yen (Note 2)
Rental area capacity	30,339.91 m ² (Note 3)
Actual rented area	30,339.91 m ² (Note 3)
Occupancy rate	100% (Note 4)
Security deposit	254 million yen (Note 5)

Note 1: The total number of tenants is considered as one because the property is planned to be entirely leased to tenants under the master lease method.

Note 2: The figure represents a calculation of monthly rent amounts as expressed in a fixed-term building lease agreement proposed to be concluded on January 22, 2009, multiplied by 12 times. Figures are rounded to the nearest million yen unit.

Note 3: Figures are the contractual areas expressed by the fixed-term building lease agreement proposed to be concluded on January 22, 2009.

Note 4: The ratio of actual rented area to rental area capacity.

Note 5: The figure is the monetary value of the security deposit expressed in the fixed-term building lease agreement

proposed to be concluded on January 22, 2009.

(2) LaLaport KOSHIEN (site)

Total number of tenants	1
Principal tenant	Mitsui Fudosan Co., Ltd.
Annual rent	509 million yen (Note 1)
Rental area capacity	126,052.16 m ² (Note 2)
Actual rented area	126,052.16 m ² (Note 2)
Occupancy rate	100% (Note 3)
Security deposit	335 million yen (Note 4)

Note 1: The figure represents a calculation of monthly rent amounts as expressed in the existing lease agreement multiplied by 12 times. Figures are rounded to the nearest million yen unit.

Note 2: Figures represent areas noted in the existing registry.

Note 3: The ratio of actual rented area to rental area capacity.

Note 4: The figure is the monetary value of the security deposit expressed in the existing lease agreement.

(3) Namba Hanshin Building

Total number of tenants	1 (18) (Note 1)
Annual rent	305 million yen (Note 2)
Rental area capacity	9,959.01 m ² (Note 3) (6,456.88 m ²)
Actual rented area	9,959.01 m ² (Note 3) (5,785.60 m ²)
Occupancy rate	100% (Note 4) (89.6%)
Security deposit	258 million yen (Note 5)

Note 1: The total number of tenants is considered as one because the property is entirely leased to tenants under the pass-through master lease method. The figure in parentheses represents the existing number of end tenants.

Note 2: The figure represents a calculation of monthly rent amounts and revenues from common area charges as expressed in the existing lease agreement, multiplied by 12 times. Figures are rounded to the nearest million yen unit. Storage, parking garage space, and machinery room and others are not included.

Note 3: Rental area capacity and actual rented area are the contractual areas expressed in the master lease agreement. The figures in parentheses in rental area capacity and actual rented area represent the existing area that could be rented to end tenants, and the total of contractual area expressed in the leasing agreements of existing end tenants, respectively. Storage, parking garage space, and machinery room and others are not included.

Note 4: The ratio of the existing actual rented area to rental area capacity. The occupancy rate in parentheses is calculated based on the rental area capacity and the actual rented area being the existing area that could be rented to end tenants, and the actual rented area expressed in the leasing agreements of existing end tenants, respectively. Figure is rounded to the nearest tenth. Storage, parking garage space, and machinery room and others are not included.

Note 5: The figure is the monetary value of the security deposit expressed in the existing lease agreement. Figures are rounded to the nearest million yen unit. Storage, parking garage space, and machinery room and others are not included.

(4) Richmond Hotel Hamamatsu

Total number of tenants	1 (Note 1)
Principal tenant	RNT HOTELS Co., Ltd.
Annual rent	— (Note 2)
Rental area capacity	6,995.33 m ² (Note 3)
Actual rented area	6,995.33 m ² (Note 3)
Occupancy rate	100% (Note 4)
Security deposit	— (Note 2)

Note 1: The total number of tenants is considered as one because the property is entirely leased to tenants under the master lease method.

Note 2: Information is not permitted to be disclosed (tenant request).

Note 3: Figures represent areas noted in the existing registry.

Note 4: The ratio of actual rented area to rental area capacity.

5. Overview of the Seller

(1) LAXA Osaka; LaLaport KOSHIEN (site); Namba Hanshin Building

Trade name	ZEKUTO GK
Location of headquarters	Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Representative Company: ZEKUTO Holdings Limited Liability Intermediary Corporation Executor of Duties: Ryutaro Uchiyama
Capital	1 million yen
Major shareholders	ZEKUTO GK is a special purpose company in which ZEKUTO Holdings Limited Liability Intermediary Corporation has made investments and Hankyu Corporation, Hanshin Electric Railway Co., Ltd., and others have invested for the part of anonymous associations.
Main business activities	1. Acquisition, ownership, disposal, lease and management of real estate 2. Acquisition, ownership, and disposal of trust beneficiary interests of real estate 3. Operations related to or of ancillary relationship to, the above operations
Relation to Hankyu REIT or asset management company	Hankyu Corporation, parent company of asset management company, Hankyu REIT Asset Management, Inc., and Hanshin Electric Railway Co., Ltd., subsidiary of Hankyu Hanshin Holdings which is a parent company of the aforesaid asset management company, are interested parties as defined by the Investment Trust and Investment Corporation Law, and although they comprise a part of anonymous associations investing in the seller, they do not qualify as a special interested party.

(2) Richmond Hotel Hamamatsu

Trade name	E-Hotels Network Y.K.
Location of headquarters	2-13-10 Nihonbashi, Chuo-ku, Tokyo
Representative	Representative Director: Minoru Tanaka
Capital	3 million yen
Major shareholders	E-Hotels Network Y.K. is a special purpose company in which No. 3 NANIWA CLUB Limited Liability Intermediary Corporation has made investments and Hankyu Corporation and others have invested for the part of anonymous associations.
Main business activities	1. Trade, ownership, disposal, and management of trust beneficiary interest 2. Purchase, acquisition, sale, lease and management of real estate 3. Operations related to the above operations
Relation to Hankyu REIT or asset management company	Hankyu Corporation, parent company of asset management company, Hankyu REIT Asset Management, Inc., is an interested party as defined by the Investment Trust and Investment Corporation Law, and although it comprises a part of anonymous associations investing in the seller, it does not qualify as a special interested party.

6. Transactions with Interested Parties, etc.

Because Hankyu Hanshin Building Management Co., Ltd., who is the master lessee of Namba Hanshin Building and consignee of the property management operations of all 4 properties, falls under the definition of “interested party, etc.” in the Investment Trust Law, the conditions concerning the conclusion of the master lease agreement and the property management agreement, have been scrutinized and approved by the investment management committee, the compliance committee, and the board of directors of the asset management company in accordance with the asset management company’s rules concerning transactions involving conflicts of interest, investment management committee regulations, and compliance committee regulations, among others.

Because Hanshin Electric Railway Co., Ltd., who is the master lessee and the land sublessor of LAXA Osaka, falls under the definition of “interested party, etc.” in the Investment Trust Law, the conditions concerning the conclusion of the the master lease and land sublease agreement, have been scrutinized and approved by the investment management committee, the compliance committee, and the board of directors of the asset management company in accordance with the asset management company’s rules concerning transactions involving conflicts of interest, investment management committee regulations, and compliance committee regulations, among others.

Details on intermediaries are described in “7. Overview of Intermediaries”.

7. Overview of Intermediaries

(1) LAXA Osaka

Broker: Hankyu Investment Partners, Inc.
Payment fee: 102,456,000 yen (excluding consumption tax)

(2) LaLaport KOSHIEN (site)

Broker: Hankyu Investment Partners, Inc.
Payment fee: 147,000,000 yen (excluding consumption tax)

(3) Namba Hanshin Building

Broker: Hankyu Investment Partners, Inc.
Payment fee: 86,200,000 yen (excluding consumption tax)

(4) Richmond Hotel Hamamatsu

Broker: Hankyu Realty Co., Ltd.
Payment fee: 42,000,000 yen (excluding consumption tax)

Because Hankyu Investment Partners, Inc. and Hankyu Realty Co., Ltd. fall under the definition of “interested party, etc.” in the Investment Trust Law, the conditions concerning consignment of brokerage operations, have been scrutinized and approved by the investment management committee, the compliance committee, and the board of directors of the asset management company in accordance with the asset management company’s rules concerning transactions involving conflicts of interest, investment management committee regulations, and compliance committee regulations, among others.

8. Acquisition Process

January 16, 2009	Resolution approving execution of the agreement at the asset management company's board of directors' meeting.
January 22, 2009	Proposed conclusion of agreement to transfer real estate trust beneficiary interests, and proposed acquisition.

9. Future Outlook

Please refer to “Financial Results for the Fiscal Period from June 1, 2008 to November 30, 2008” that was released separately today.

- 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 Photograph of External Facade, Map of Location and Surrounding Area

Reference Material 1

Overview of Appraisal Report

PROPERTY NAME	LAXA Osaka
Appraised Value	5,130,000,000 yen
Appraisal Organization	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	November 1, 2008

Item	Value	Basis for Valuation
Earned Price *	5,130,000,000 yen	Calculated using DCF method as a standard and verified from the direct capitalization method.
Earned Price from Direct Capitalization Method	5,030,000,000 yen	
(i) Operating return (a + b - c)	508,824,000 yen	
a Income from rental fees	508,824,000 yen	Assessment based on market rates (= proposed rent)
b Other income	0 yen	Assessment based on income records
c Loss from non-occupancy	0 yen	Assessment based on lease format and market competitiveness of the targeted real estate
(ii) Operating costs (a + b + c + d + e + f)	181,535,970 yen	
a Maintenance/administrative fees, etc.	3,600,000 yen	Assessment based on lease format and quoted documents supplied by Hankyu REIT
b Utilities	0 yen	Assessment based on lease format and income records
c Repairs	22,936,000 yen	Assessment based on engineering report and similar examples
d Public charges and taxes	107,489,900 yen	Recorded based on actual amount in 2008
e Casualty insurance premiums	11,510,070 yen	Recorded based on quoted amounts
f Other expenses	36,000,000 yen	Assessment based on land lease agreement and income records
(iii) Net operating income (NOI = (i) - (ii))	327,288,030 yen	
(iv) Gain on investment of lump-sum money	5,088,240 yen	Assessment based on operating yield of 2.0%
(v) Capital expenditures	45,872,000 yen	Assessment based on engineering report and similar examples
(vi) Net cash flow (NCF = (iii) + (iv) - (v))	286,504,270 yen	
(vii) Capitalization rate	5.7%	Assessment referenced trade yield examples of similar real estates
Earned Price from Discounted-Cash-Flow (DCF) Method	5,170,000,000 yen	
Discount rate	5.9%	Calculated by adding individual risk to hotel's base yield
Terminal capitalization rate	6.0%	Assessment based on capitalization rate coupled with future forecast uncertainty
Estimated Price*	8,720,000,000 yen	
Land Ratio	34.7%	
Building Ratio	65.3%	

Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value	Targeted real estate is close to JR Osaka Loop Line's Fukushima Station, in a south-eastern direction, and is located at a meeting point of JR Osaka Loop Line, Hanshin Main Line, Route 41 "Naniwa-suji" (prefectural road), and Route 2 (national road). It is a complex commercial building that was a result of redevelopment of the lot that used to be Hanshin Main Line's station, accompanying the movement of that line to a subway route in 1999. It has the advantage of being a landmark building of the bustling market areas of the surrounding stations in Fukushima ward and has therefore a strong attractiveness to customers. The appraised value of the targeted real estate was decided by the appraisal organization, who treated the earned price as the appraised value. The appraisal decision was based on reconsideration of provisional calculations and examination of the judgment concerning the persuasiveness of the provisional calculations and considerations were given to the process by which the price was formulated, placing emphasis on profitability of the market participants (demanders) of the targeted real estate, the objectives of the appraisal request, and similar cases of the stratified-ownership building (for rent) and its lot (partial leased-land rights).
--	---

The appraised 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.

Overview of Appraisal Report

PROPERTY NAME	LaLaport KOSHIEN (site)
Appraised Value	7,350,000,000 yen
Appraisal Organization	Rich Appraisal Institute K.K.
Date of Appraisal	November 1, 2008

Item	Value	Basis for Valuation
Earned Price *	7,350,000,000 yen	—
Earned Price from Discounted-Cash-Flow (DCF) Method	7,350,000,000 yen	—
Discount rate per period	4.8%	—
Terminal capitalization rate	4.7%	—

<p>Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value</p>	<p>Targeted real estate is located in a suburb-type commercial zone intersected by major transportation routes close to the Hanshin Koshien Baseball Stadium in south-eastern Nishinomiya. This is a superb location both in terms of commercial area population and road and rail accessibility. Also targeted real estate is comprised of a large-scale retail facility for which a twenty-year contract has been executed for the establishment of fixed-term leased-land rights for business use, and a parking area that is used for the aforesaid facility. The profitability of the property is therefore deemed safe and secure.</p> <p>The discount rate and the terminal capitalization rate especially from DCF method were calculated based on consideration of the currently stable standard land prices. The appraised value of the property was decided by the appraisal organization, who treated the value as the earned price obtained by the DCF method. The appraisal decision was based on similar cases with leased-land ownership and considerations were given to the process by which the earned price was formulated, placing emphasis on profitability of the market participants.</p>
---	---

The appraised 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.

Overview of Appraisal Report

PROPERTY NAME	Namba Hanshin Building
Appraised Value	4,310,000,000 yen
Appraisal Organization	Daiwa Real Estate Appraisal Co., Ltd.
Date of Appraisal	November 1, 2008

Item	Value	Basis for Valuation
Earned Price *	4,310,000,000 yen	
Earned Price from Direct Capitalization Method	4,320,000,000 yen	
(i) Operating return (a + b - c)	384,915,315 yen	
a Income from rental fees	330,724,680 yen	Assessment based on an appropriate rental standard with recognized stability over a medium-to-long term
b Other income	76,690,388 yen	Recorded income from utilities and other income
c Loss from non-occupancy	22,499,753 yen	Assessment based on stable occupancy rate over a medium-to-long term
(ii) Operating costs (a + b + c + d + e + f)	144,793,255 yen	
a Maintenance/administrative fees, etc.	50,704,787 yen	Assessment referenced maintenance/administrative fees standards of similar real estates based on existing contract details
b Utilities	34,757,243 yen	Assessment referenced utilities standards of similar real estate based on past actual records.
c Repairs	10,255,500 yen	Assessment based on annual average repair and upgrade cost provided by engineering report
d Public charges and taxes	45,648,845 yen	Assessment based on actual amount in 2008
e Casualty insurance premiums	3,426,880 yen	Assessment based on quoted amounts
f Other expenses	0 yen	
(iii) Net operating income (NOI = (i) - (ii))	240,122,060 yen	
(iv) Gain on investment of lump-sum money	4,271,352 yen	Assessment based on operation yields of 2.0%
(v) Capital expenditures	23,929,500 yen	Assessment based on annual average repair and upgrade cost provided by engineering report
(vi) Net cash flow (NCF = (iii) + (iv) - (v))	220,463,912 yen	
(vii) Capitalization rate	5.1%	Assessment based on general consideration of location conditions, building conditions, and contract conditions of the targeted real estate
Earned Price from Discounted-Cash-Flow (DCF) Method	4,300,000,000 yen	
Discount rate	4.9%	Assessment based on transaction examples of similar real estates, yield of financial assets and unique characteristics of the real estate
Terminal capitalization rate	5.3%	Assessment based on characteristics of net income used for capitalization rate, future uncertainty, liquidity and market characteristics
Estimated Price*	3,360,000,000 yen	
Land Ratio	50.3%	
Building Ratio	49.7%	

Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value	The earned price was assessed at 4,310,000,000 yen using the direct capitalization method and the discounted-cash-flow method and the appraised value was decided to be 4,310,000,000 yen after referencing the estimated price.
--	--

The appraised 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.

Overview of Appraisal Report

PROPERTY NAME	Richmond Hotel Hamamatsu
Appraised Value	2,100,000,000 yen
Appraisal Organization	Rich Appraisal Institute K.K.
Date of Appraisal	November 1, 2008

Item	Value	Basis for Valuation
Earned Price*	2,100,000,000 yen	
Earned Price from Direct Capitalization Method	2,090,000,000 yen	
(i) Operating return (a + b - c)	145,036,080 yen	
a Income from rental fees	145,036,080 yen	Assessment amount based on building lease agreement
b Other income		
c Loss from non-occupancy		
(ii) Operating costs (a + b + c + d + e + f)	19,320,773 yen	
a Maintenance/administrative fees, etc.	2,884,317 yen	Assessment based real estate management agreement
b Utilities	0 yen	
c Repairs	0 yen	
d Public charges and taxes	14,096,396 yen	Based on actual amount in 2008.
e Casualty insurance premiums	2,340,060 yen	Assessment based on quoted amounts supplied by Hankyu REIT
f Other expenses	0 yen	
(iii) Net operating income (NOI = (i) - (ii))	125,715,307 yen	
(iv) Gain on investment of lump-sum money	2,900,800 yen	Assessment based on annual security deposit of 2.0%
(v) Capital expenditures	11,328,333 yen	Assessment based on engineering report
(vi) Net cash flow (NCF = (iii) + (iv) - (v))	117,287,774 yen	
(vii) Capitalization rate	5.6%	
Earned Price from Discounted-Cash-Flow (DCF) Method	2,100,000,000 yen	
Discount rate	5.4%	
Terminal capitalization rate	5.7%	
Estimated Price*	1,940,000,000 yen	
Land Ratio	18.8%	
Building Ratio	81.2%	

<p>Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal price/value</p>	<p>Targeted real estate is Richmond Hotel Hamamatsu located about 1 km north-west of JR's Hamamatsu Station (Tokaido Shinkansen and Tokaido Main Line) and 160 m south-east from Hamamatsu's city hall. Targeted real estate's neighborhood is a commercial zone in which store, office and other buildings are concentrated along the sides of Route 152 (national road). For the assessment of the earned price using the DCF method, the discount rate and terminal capitalization rate used to calculate the present value are 5.4% and 5.7% respectively. For the assessment of the earned price using the direct capitalization method, the eleventh year is taken as the standard net income of a stable period and capitalization rate is 5.6%. The appraisal organization decided the appraised value of the property with a weighting towards the DCF method.</p>
---	---

The appraised 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 Properties

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	17.1%
R2 (K)	Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	5.7%
R3 (K)	Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	5.1%
R4 (K)	Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	6.4%
R5 (K)	Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	1.0%
R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Retail	Other areas	October 2, 2006	2,170	1.6%
				April 9, 2007	5	
R7 (K)	NU chayamachi	Retail	Kansai	March 15, 2007	19,300	14.3%
R8	Hotel Gracery Tamachi	Retail	Other areas	December 25, 2008	4,160	3.1%
R9(K)	LaLaport KOSHIEN(site)	Retail	Kansai	January 22, 2009	7,350	5.5%
R10	Richmond Hotel Hamamatsu	Retail	Other areas	January 22, 2009	2,100	1.6%
	Subtotal				82,773	61.4%
01	Shiodome Eastside Building	Office	Other areas	February 29, 2008	19,025	14.1%
02 (K)	Hankyu Corporation Head Office Building	Office	Kansai	May 16,2008	11,200	8.3%
	Subtotal				30,225	22.4%
M1 (K)	Ueroku F Building	Multi-purpose	Kansai	November 1, 2005	2,980	2.2%
M2	Sphere Tower Tennoz	Multi-purpose	Other areas	October 2, 2007	9,405	7.0%
M3(K)	LAXA Osaka	Multi-purpose	Kansai	January 22, 2009	5,122	3.8%
M4(K)	Namba-Hanshin Building	Multi-purpose	Kansai	January 22, 2009	4,310	3.2%
	Subtotal				21,817	16.2%
	Total				134,816	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").

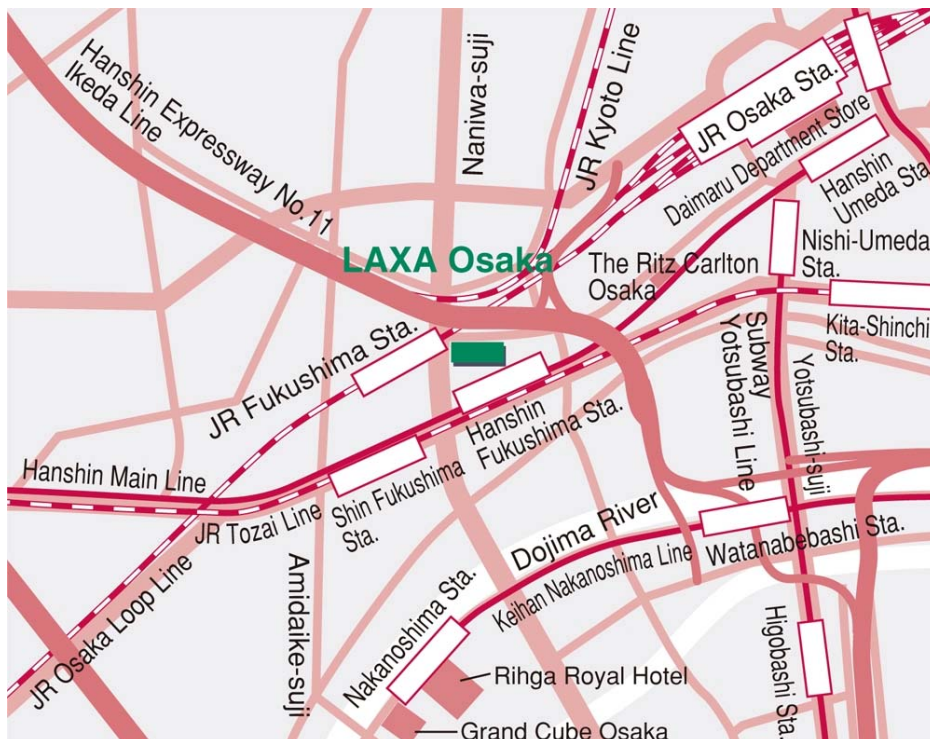
Numbers represent the chronological order of the acquisition of each facility. Also, the letter "K" in parentheses to the right of these numbers indicates that the property is located in the Kansai region.

Reference Material 3

Photograph of External Facade of LAXA Osaka



Map of Location and Surrounding Area of LAXA Osaka



Photograph of External Facade of LaLaport KOSHIEN(site)



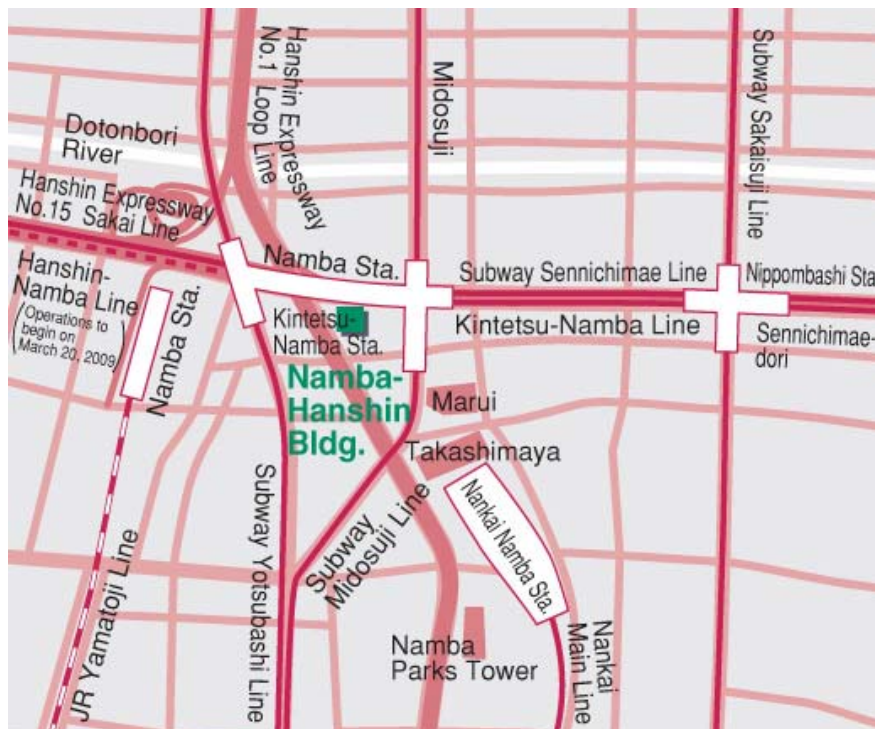
Map of Location and Surrounding Area of LaLaport KOSHIEN(site)



Photograph of External Facade of Namba-Hanshin Bldg.



Map of Location and Surrounding Area of Namba-Hanshin Bldg.



Photograph of External Facade of Richmond Hotel Hamamatsu



Map of Location and Surrounding Area of Richmond Hotel Hamamatsu

