



For Immediate Release

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REIT Issuer

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Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending May 31, 2010 and
Revision to Forecasts of Financial Results for the Fiscal Period Ending November 30, 2009

Hankyu REIT, Inc. (hereafter "Hankyu REIT") announces a revision to its forecasts of financial results for the fiscal period ending November 30, 2009 (June 1, 2009, to November 30, 2009) which was disclosed on July 15, 2009 in the Financial Results for the Fiscal Period ending May 31, 2009 (December 1, 2008 to May 31, 2009) as described below.

Furthermore, Hankyu REIT announces its forecasts of financial results for the fiscal period ending May 31, 2010 (December 1, 2009, to May 31, 2010). The forecasts are summarized as follows.

Details

1. Revision to the Forecasts of Financial Results for the Fiscal Period Ending November 30, 2009

(1) Revision to the Forecasts of Financial Results for the Fiscal Period ending November 30, 2009 (June 1, 2009, to November 30, 2009)

	Operating revenues (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Distribution per unit (not including distributions in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Prior forecasts (A) (Disclosure date: July 15, 2009)	5,366	1,803	1,205	1,204	14,100	0
Revised forecasts (B)	5,928	1,535	958	956	11,200	0
Change (B) - (A)	562	(267)	(247)	(247)	(2,900)	0
Change	10.5%	(14.8%)	(20.5%)	(20.6%)	(20.6%)	—
(Reference) Previous fiscal period's actual results (period ended May 31, 2009)	5,243	2,006	1,484	1,482	17,365	0

Note 1: Expected number of issued investment units as of November 30, 2009: 85,400 units

Note 2: Fractional unit amounts are discarded and percentage amount has been rounded to the nearest tenth of a percent.

Note 3: The above forecasts assume the proposed amendment to the Articles of Incorporation concerning the abolishment of management remuneration 4 (remuneration upon transfer) is approved at the 5th General Unitholders' Meeting to be held on November 6, 2009 and management remuneration 4 (remuneration upon transfer) is abolished.

(2) Reason for Revision

Hankyu REIT has decided to conclude “agreements on sales” for Hankyu Corporation Head Office Building and HEP Five (partial transfer). As a result, we expect a loss on transfer of Hankyu Corporation Head Office Building and a gain on transfer of HEP Five (partial transfer). We therefore expect the actual financial results of the fiscal period ending November 30, 2009 (June 1, 2009, to November 30, 2009) to differ from the forecasted financial results of the same period that was disclosed on July 15, 2009 in the Financial Results for the Fiscal Period from December 1, 2008 to May 31, 2009. Consequently, we are revising the forecasts of financial results at this point in time. For details of these transfers, please refer to “Notice Concerning Transfers of Domestic Real Estate Trust Beneficiary Interests (Conclusion of Agreements)” separately released today.

Reference: Difference between proposed transfer price and book value as of May 31, 2009

Hankyu Corporation Head Office Building	Negative 1,005,380,360 yen
HEP Five (partial transfer)	639,522,034 yen

Note: The above numerical forecasts are forecasts of management circumstances based on current conditions with a given set of specific assumptions. Future acquisitions or transfer 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. .

2. Forecasts of Financial Results for the Fiscal Period Ending May 31, 2010

(1) Forecasts of Financial Results for the Fiscal Period ending May 31, 2010 (December 1, 2009, to May 31, 2010)

	Operating revenues (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Distribution per unit (not including distributions in excess of earnings) (yen)	Distribution in excess of earnings per unit (yen)
Fiscal period ending May 31, 2010	4,864	1,635	1,111	1,110	13,000	0

Note 1: Expected number of issued investment units as of May 31, 2010: 85,400 units

Note 2: Fractional unit amounts are discarded.

Note 3: The above forecasts assume the proposed amendment to the Articles of Incorporation concerning the abolishment of management remuneration 4 (remuneration upon transfer) is approved at the 5th General Unitholders' Meeting to be held on November 6, 2009 and management remuneration 4 (remuneration upon transfer) is abolished.

(2) Reason for Announcement

Hankyu REIT has decided to conclude “agreements on sales” for Hankyu Corporation Head Office Building and HEP Five (partial transfer). Consequently, we announce the forecasts for the fiscal period ending May 31, 2010. For details of these transfers, please refer to “Notice Concerning Transfers of Domestic Real Estate Trust Beneficiary Interests (Conclusion of Agreements)” separately released today.

Note: The above numerical forecasts are forecasts of management circumstances based on current conditions with a given set of specific assumptions. Future acquisitions or transfer 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/>

Assumptions for Forecasts of Financial Results for the Fiscal Period ending May 31, 2010
(December 1, 2009, to May 31, 2010)

Item	Assumption
Accounting period	Tenth Fiscal Period: December 1, 2009, to May 31, 2010 Operating period: 182
Managed assets	<ul style="list-style-type: none"> • The transfer of Hankyu Corporation Head Office Building on November 25, 2009 and partial transfer of HEP Five (10% of quasi co-ownership (equity interest 50%)) on November 27, 2009. • No changes in other currently held 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 lease agreements 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 lease operating costs, main part of operating expenses, reflect factors that might affect expenses based on past financial results (excluding depreciation costs). • Property tax, city planning tax, and other taxes are estimated to be 368 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 repair expenses exists because these expenses may not occur at fixed intervals and the amount in any given fiscal year may vary. • Property/facility management fees are estimated to be 602 million yen. • 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 tenth fiscal period (302 million yen). We assume 1,045 million yen in depreciation. • Operating expenses unassociated with lease operating costs such as asset management remuneration, asset consignment remuneration and administrative agency remuneration are 338 million yen. Note that it is assumed that the proposed amendment to the Articles of Incorporation concerning the abolishment of management remuneration 4 (remuneration upon transfer) will be approved at the 5th General Unitholders' Meeting to be held on November 6, 2009 and that management remuneration 4 (remuneration upon transfer) will be abolished.
Non-operating expenses	<ul style="list-style-type: none"> • Borrowing related costs, such as interest due, are estimated to be 522 million yen.

Loans payable	<ul style="list-style-type: none"> • As of today, Hankyu REIT has 70,700 million yen in borrowed funds, but we plan to repay 2,000 million yen in short-term borrowings due on October 30, 2009. Also, we plan to use part of the transfer prices from the transfers of Hankyu Corporation Head Office Building and HEP Five (partial transfer) (10% of quasi co-ownership (equity ratio 50%)) on November 30, 2009 to make early repayment of 6,300 million yen in short-term borrowings. As a result, the balance of loans payable at the end of the ninth fiscal period (November 30, 2009) is expected to be 62,400 million yen (4,900 million yen in short-term borrowings and 57,500 million yen in long-term debt). • Loans payable during the tenth fiscal period shall not increase or decrease from 62,400 million yen. • The short-term borrowings due in the tenth fiscal period, which amount to 3,900 million yen (to be repaid by January 21, 2010 and February 26, 2010), shall be refinanced. Also, no long-term debt is due in the tenth fiscal period.
Investment units	<ul style="list-style-type: none"> • Before or during the tenth fiscal period, there will be no additional issuance of investment units added to the 85,400 issued investment units as of today. • Net income per unit and distributions are calculated based on 85,400 issued investment units expected as of May 31, 2010.
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 rent 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	<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.