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

Notice Concerning Transfers of Domestic Real Estate Trust Beneficiary Interests
(Conclusion of Agreements)

Hankyu REIT, Inc. (hereafter "Hankyu REIT") announces today its decision to conclude two "agreements on sales" and transfer assets as described below.

Details

1. Overview of Transfers

(1) Hankyu Corporation Head Office Building

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| (i) Asset to be transferred: | Real estate trust beneficiary interests |
| (ii) Property name: | Hankyu Corporation Head Office Building |
| (iii) Proposed transfer price: | 10,200,000,000 yen
(excluding transfer-related expenses, property tax, city planning tax and consumption tax, among others) |
| (iv) Book value: | 11,205,380,360 yen (book value as of May 31, 2009) |
| (v) Difference between proposed transfer price and book value: | Negative 1,005,380,360 yen |
| (vi) Appraisal value: | 10,200,000,000 yen (value as of September 30, 2009)
(Appraisal organization: Daiwa Real Estate Appraisal Co., Ltd.) |
| (vii) Proposed date of agreement: | November 20, 2009 |
| (viii) Proposed transfer date: | November 25, 2009 |
| (ix) Transferee: | Kairos Funding GK |
| (x) Usage of transfer price: | Repayment for existing borrowing and other uses |

(2) HEP Five (partial transfer)

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|--------------------------------|---|
| (i) Asset to be transferred: | 10% of real estate trust beneficiary interests (quasi co-ownership: equity ratio 50%) (Note) |
| (ii) Property name: | HEP Five |
| (iii) Proposed transfer price: | 2,870,000,000 yen
(excluding transfer-related expenses, property tax, city planning tax and consumption tax, among others) |

- (iv) Book value: 2,230,477,966 yen (10% of book value as of May 31, 2009)
- (v) Difference between proposed transfer price and book value: 639,522,034 yen
- (vi) Appraisal value: 2,800,000,000 yen (value as of September 30, 2009)
(Appraisal organization: Tanizawa Sogo Appraisal Co., Ltd.)
- (vii) Proposed date of agreement: November 27, 2009
- (viii) Proposed transfer date: November 27, 2009
- (ix) Transferee: Hankyu Realty Co., Ltd.
- (x) Usage of transfer price: Repayment for existing borrowing and other uses

Note: Hankyu REIT's interest in quasi co-ownership shall change from 50% to 45%.

2. Reason for Transfers

As a result of the impact from the global economic crisis that developed out of the subprime mortgage crisis in the U.S. last year, the real estate market in Japan has been in considerable turmoil, and land prices have been maintaining a falling trend. Also because of the tighter stances of overseas and domestic financial institutions towards financing for real estate and other reasons, there has been a trend of low activity in the buying and selling of real estate.

In this difficult environment, because of the rise in the appraised capitalization rate (CAP rate) and concerns that the rental standard could drop on account of slumps in corporate earnings and personal consumption, the appraisal value fell more than expected. As a result, the loan to value ratio (LTV (Note)) was at a high level of 57.9% at the end of the period from December 1, 2008 to May 31, 2009.

As the currently difficult economic environment is expected to continue into the future, Hankyu REIT recognizes the possibility that LTV could exceed the upper limit of 60% set by asset management company's management guidelines as a result of appraisal values continuing to fall.

Considering the trend of the capital market environment and the real estate transaction market under the current conditions, Hankyu REIT has chosen to transfer part of its asset holdings as a measure that will benefit the unitholders' interests.

As a result of these transfers of its asset holdings, Hankyu REIT aims to maximize unitholders' value by lowering the LTV, and securing sustainable growth in the medium- to long-term and stable revenues.

Note: Loan to Value Ratio (LTV): $(\text{amount of outstanding debts} + \text{security deposits} - \text{matched money to security deposits}) \div (\text{total amount of assets} (*) - \text{matched money to security deposits})$
* appraisal value basis

3. Details of Assets to Transfer

(1) Hankyu Corporation Head Office Building

Property name		Hankyu Corporation Head Office Building			
Specific asset type		Trust beneficiary interest			
Trustee		The Sumitomo Trust and Banking Co., Ltd.			
Trust period		March 20, 2003 to March 19, 2013			
Acquisition date		May 16, 2008			
Location	Address	1-16-1 Shibata Kita-ku, Osaka			
Land	Building coverage	80%	Building	Month/Year Built	September 1992
	Floor area ratio	600% / 400%		Structure/ Floors	Steel-frame, steel-frame reinforced concrete, reinforced concrete structure with deck roof and 2 underground levels, 19 floors (Note 1)

	Zone use	Commercial zone		Use	Offices
	Lot area	3,396.82 m ²		Total floor area	27,369.37 m ²
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Total number of tenants		1 (Note 2)			
Principal tenant		Hankyu Corporation			
Leasable area capacity		27,369.37 m ²			
Actual rented area		27,369.37 m ²			
Occupancy rate		100% (Note 3)			

Note 1: Based on the regulations of the Building Standard Law: 2 underground levels, 17 floors and 2 rooftop floors.

Note 2: The total number of tenants is considered as one because the property is entirely leased to tenants under the master lease method.

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

(2) HEP Five (partial transfer) (The part to be transferred is 10% of the quasi co-ownership of the following trust beneficiary interests)

Property name		HEP Five			
Specific asset type		Trust beneficiary interest (quasi co-ownership: equity ratio 50%)			
Trustee		Mitsubishi UFJ Trust and Banking Corporation			
Trust period		February 1, 2005 to January 31, 2025			
Acquisition date		February 1, 2005			
Quasi co-ownership		Hankyu Realty Co., Ltd. (Hankyu Realty Co., Ltd and Hankyu REIT each have 50% share in quasi co-ownership trust beneficiary interests)			
Location	Address	5-15, Kakuda-cho, Kita-ku, Osaka			
Land	Building coverage	80%	Building	Month/Year Built	November 1998
	Floor area ratio	800%		Structure/Floors	Steel-frame reinforced concrete structure with deck roof and 3 underground levels, 10 floors
	Zone use	Commercial zone		Use	Store, amusement facility, theater, parking garage space
	Lot area	5,596.11 m ² (Note 1 & Note 2)		Total floor area	45,266.96 m ² (Note 1)
	Form of ownership	Right of ownership		Form of ownership	Right of ownership
Total number of tenants		1 (140) (Note 3 & Note 4)			
Principal tenants		SEGA Corporation, BEAMS			
Leasable area capacity		22,633.48 m ² (10,567.67 m ²) (Note 4 & Note 5)			
Actual rented area		22,633.48 m ² (10,537.31 m ²) (Note 4 & Note 5)			
Occupancy rate		100% (99.7%) (Note 4 & Note 6)			

Note 1: Lot area and total floor area are stated at the equivalent of 100%.

Note 2: Of the lot area of 5,596.11 m², 111.59 m² is road provided for public use.

Note 3: The total number of tenants is considered as one because the property is entirely leased to tenants under the master lease method.

Note 4: In parentheses are the values as of today of the following: number of end tenants, leasable area capacity leasable to end tenants, actual rented area and occupancy rate based on this.

Note 5: The stated leasable area capacity and actual rented area are the equivalent of Hankyu REIT's 50% interest of quasi co-ownership (calculated based on the lease agreement with the master lessee)

Note 6: The ratio of actual rented area to leasable area capacity.

4. Outline of Transferees

(1) Hankyu Corporation Head Office Building

Name	Kairos Funding GK
Location	Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chioda-ku, Tokyo
Representative	Representative company: ZEKUTO Holdings GIA Executor of duties: Masato Kaida
Capital	100,000 yen (Note 1)
Major shareholder and shareholding ratio	Kairos Funding GK is a special purpose company in which ZEKUTO Holdings GIA has made investments (100%) and Hankyu Corporation 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, shareholder (100% holding) of asset management company, Hankyu REIT Asset Management, Inc., is an interested party as defined by the Investment Trust and Investment Corporation Law (hereinafter "Investment Trust Law"), and although it comprises a part of anonymous associations investing in the transferee, it does not fall under the definition of "interested party, etc." in the Investment Trust Law. Also, because an investment of more than 50% has not been made, it does not qualify as an interested party as defined by the asset management company's rules concerning transactions involving conflicts of interest. Moreover, a report detailing all agreements including minority opinions has been deliberated at the compliance committee in the capacity of advisory organization in accordance with the asset management company's compliance committee regulations, and submitted to the asset management company's President & Representative Director and board of directors.

Note 1: Current capital.

(2) HEP Five (partial transfer)

Name	Hankyu Realty Co., Ltd.
Location	Higashi-Hankyu Bldg., 1-1, Kakuda-cho, Kita-ku, Osaka
Representative	Katsuhiko Minohara, Representative Director
Main business activities	1. Ownership, management, buying/selling and leasing of land and buildings 2. Intermediary services and appraisal of land and buildings 3. Second Financial Instruments Business 4. Planning, supervision and execution of civil construction works 5. Operations related to or of ancillary relationship to, the above operations
Capital	12,426,650,203 yen (Note 1)
Date of establishment	February 17, 1947
Net assets and total assets in directly preceding fiscal year	Net assets: 62,054 million yen Total assets: 195,193 million yen (As of March 31, 2009)
Major shareholder and shareholding ratio	Hankyu Corporation 100%

Relation to Hankyu REIT or asset management company	<p>Capital relationships: Hankyu Corporation, shareholder (100% holding) of asset management company, Hankyu REIT Asset Management, Inc., is an interested party as defined by the Investment Trust Law, and as a shareholder of the company (100% holding) it falls under the definition of "interested party, etc." in the Investment Trust Law.</p> <p>Personal relationships: Two employees of the company have been transferred to the asset management company. (As of the end of the previous fiscal period (May 31, 2009))</p> <p>Business relationships: Intermediary fees for buying/selling of real estate, etc. 42,000,000 yen, property/facility management fees 3,720,000 yen, leasing fees paid 1,025,000 yen (Previous fiscal period (December 1, 2008 to May 31, 2009))</p> <p>Applicability as an related party: The company does not qualify as a related party of Hankyu REIT. Also Hankyu Corporation, shareholder (100% holding) of asset management company, Hankyu REIT Asset Management, Inc, is the shareholder (100% holding) of the company.</p>
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Note 1: Current capital.

5. Transactions with Interested Parties, etc.

Because Hankyu Realty Co., Ltd., transferee of HEP Five (partial transfer), falls under the definition of "interested party, etc." in the Investment Trust Law, the conditions concerning the conclusion of this 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.

6. Transfer Process

- October 27, 2009: Decision of conclusion of "agreements on sales" by the asset management company's board of directors' meeting and conclusion thereof.
- November 19, 2009: Proposed resolution of conclusion of agreement to transfer trust beneficiary interests by the asset management company's board of directors' meeting.
- November 20, 2009: Proposed conclusion of agreement to transfer trust beneficiary interests of Hankyu Corporation Head Office Building.
- November 25, 2009: Proposed transfer of trust beneficiary interests of Hankyu Corporation Head Office Building.
- November 27, 2009: Proposed conclusion of agreement to transfer trust beneficiary interests of HEP Five (partial transfer) and transfer of HEP Five (partial transfer)

7. Management Remuneration 4 (Remuneration upon Transfer)

Today, an amendment to the Articles of Incorporation concerning the abolishment of management remuneration 4 (remuneration upon transfer) has been proposed for the 5th General Unitholders' Meeting to be held on November 6, 2009. If this matter is approved and the management remuneration 4 (remuneration upon transfer) is abolished, Hankyu REIT will not have to pay management remuneration 4 (remuneration upon transfer) to the asset management company in relation to these transfers of asset holdings, but if this matter is not approved, Hankyu REIT shall have to pay 91,490,000 yen (excluding consumption tax) as management remuneration 4 (remuneration upon transfer) in accordance with the asset management services agreement that has been executed with the asset management company.

8. Future Outlook

Please refer to 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 that was released separately today for information on the influences affecting the conditions surrounding the management of Hankyu REIT's assets during the fiscal period ending November 30, 2009 (June 1, 2009, to November 30, 2009) and the fiscal period ending May 31, 2010 (December 1, 2009, to May 31, 2010).

- * 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 Material>

Reference Material Table of Real Estate Portfolio after Transfer of the Assets

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Reference Material

Table of Real Estate Portfolio after Transfer of the Assets

Building No. (Note 1)	Property Name	Facility (Type of Use)	Area	Acquisition Date	Acquisition Price (in millions)	Investment Ratio
R1 (K)	HEP Five(Note2)	Retail	Kansai	February 1, 2005	20,790	17.1%
R2 (K)	Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	6.4%
R3 (K)	Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	5.7%
R4 (K)	Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	7.1%
R5 (K)	Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	1.1%
R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Retail	Other areas	October 2, 2006	2,170	1.8%
				April 9, 2007	5	
R7 (K)	NU chayamachi	Retail	Kansai	March 15, 2007	19,300	15.9%
R8	Hotel Gracery Tamachi	Retail	Other areas	December 25, 2008	4,160	3.4%
R9 (K)	LaLaport KOSHIEN (site)	Retail	Kansai	January 22, 2009	7,350	6.1%
R10	Richmond Hotel Hamamatsu	Retail	Other areas	January 22, 2009	2,100	1.7%
	Subtotal				80,463	66.3%
01	Shiodome Eastside Building	Office	Other areas	February 29, 2008	19,025	15.7%
02 (K)	Hankyu Corporation Head Office Building	Office	Kansai	Transfer	—	—
	Subtotal				19,025	15.7%
M1 (K)	Ueroku F Building	Complex facility	Kansai	November 1, 2005	2,980	2.5%
M2	Sphere Tower Tennoz	Complex facility	Other areas	October 2, 2007	9,405	7.8%
M3 (K)	LAXA Osaka	Complex facility	Kansai	January 22, 2009	5,122	4.2%
M4 (K)	Namba-Hanshin Building	Complex facility	Kansai	January 22, 2009	4,310	3.6%
	Subtotal				21,817	18.0%
	Total				121,306	100.0%

Note 1: Numbers represent the classification for properties owned by Hankyu REIT by each region and type of use. Letters represent retail ("R"), office ("O") and complex facility ("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.

Note 2: The stated acquisition price and investment ratio of HEP Five are the values after the partial transfer.