



<Translation of Japanese Original>

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For Immediate Release

REIT Issuer

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

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Notice Concerning Acquisition of Domestic Real Estate

Hankyu Hanshin REIT, Inc. (hereafter "HHR") hereby notifies that Hankyu Hanshin REIT Asset Management, Inc., the asset management company that HHR has selected to manage its assets (hereafter the "Asset Management Company"), today decided to make the following additional acquisition of part of the site of Takatsuki-Josai Shopping Center (hereafter the "additional acquisition") .

Details

1. Overview of the Additional Acquisition

- 1) Specified asset type: Right of ownership
- 2) Property name: Part of the site of Takatsuki-Josai Shopping Center (Note 1)
- 3) Planned acquisition price: 55,000,000 yen (excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- 4) Appraisal value: 54,400,000 yen (Date of appraisal: March 31, 2020)
- 5) Planned acquisition date: June 4, 2020
- 6) Seller: Individual (Please refer to "4. Overview of Seller" below) (Note 2)
- 7) Acquisition fund: Own funds

(Note 1) HHR owns "Takatsuki-Josai Shopping Center" (land ownership, leasehold and building ownership), and the additional acquisition is to acquire the land ownership part (522.30 m²) of the leased part (8,409.40 m²) among the leased portion of the site (site area: 31,007.58 m²) of the building with leasehold.

(Note 2) Not disclosed as consent has not been obtained from the seller.

2. Reason for the Additional Acquisition

HHR acquired the building and a part of land of Takatsuki-Josai Shopping Center (hereinafter referred to as "the Property") on November 15, 2005, and is leasing a part (8,409.40 m²) of the site of the Property (site area: 31,007.58 m²) from multiple owners. This time, HHR received from the owner of a part of the leased land (site area: 522.30 m²) a notice of intention to transfer based on the lease agreement for the land, and thus the additional acquisition was decided. The additional acquisition is

expected to improve the asset value of the property and liquidity in the buying and selling market by acquiring ownership of part of the site of the property, which was a building with leasehold rights, so HHR determined that the additional acquisition would contribute to the improvement of unitholder value.

From the perspective of increasing unitholder value, HHR will continue to improve the profitability and quality of its portfolio, aiming for steady growth of assets under management and stable earnings over the medium to long term.

3. Detail of the Assets Planned to be Acquired

Property name		Part of the site of Takatsuki-Josai Shopping Center			
Specified asset type		Right of ownership			
Planned acquisition price		55,000,000 yen			
Appraisal value		54,400,000 yen (Date of appraisal: March 31, 2020) (Appraisal organization: Rich Appraisal Institute co., Ltd.)			
Location	Displayed Address	6-28 Josai-cho, Takatsuki City, Osaka			
	Lot Number	616-5 Josai-cho, Takatsuki City, Osaka			
Land	Building coverage	60%	Building	Month/Year built	–
	Floor area ratio	200%		Structure/Floors	–
	Zone use	Semi-industrial area		Use	–
	Site area	522.30 m ²		Total floor area	–
	Form of ownership	Right of ownership		Form of ownership	–

4. Overview of Seller

The name, etc. is not disclosed as consent has not been obtained from the seller, which is an individual. Please note that there are no capital, personnel or business relationships to be specially noted between HHR or the Asset Management Company and the seller. In addition, the seller does not fall under the definition of “related party.”

5. Status of Property Acquirers, etc.

Details are omitted as the acquisition of the Property is not an acquisition from parties with special interests of HHR or the Asset Management Company.

6. Transactions with Interested Parties, etc.

Not applicable

7. Overview of Intermediary

Not applicable

8. Settlement Method, etc.

HHR plans to make full payment to the seller for the acquisition, etc. on the planned acquisition date.

9. Acquisition Schedule

June 1, 2020	Resolution of acquisition of the Property at the Asset Management Company's Board of Directors Meeting
June 2, 2020	Contract conclusion (planned)
June 4, 2020	Payment and acquisition (planned)

10. Future Outlook

There is no revision to the operation status forecast of the fiscal period ending May 2020 (30th fiscal period December 1, 2019 to May 31, 2020) and the fiscal period ending November 2020 (31st fiscal period: June 1, 2020 to November 30, 2020) announced in "Notice Concerning Revision to the Forecasts of Financial Results and Distribution for the Fiscal Periods Ending May 31, 2020 and November 30, 2020" dated March 18, 2020 due to the additional acquisition.

* HHR website: <https://www.hankyuhanshinreit.co.jp/eng/>

<Attached Materials>

- ◆ Reference Material 1 Overview of Appraisal Report
- ◆ Reference Material 2 Table of Real Estate Portfolio after Additional Acquisition
- ◆ Reference Material 3 Property Photograph and Map of Surrounding Area

Reference Material 1

<Overview of Appraisal Report>

Property name	Takatsuki-Josai Shopping Center (site)
Appraisal value	54,400,000 yen
Appraisal organization	Rich Appraisal Institute co., Ltd.
Date of appraisal	March 31, 2020

Item	Value	Basis for valuation
Value indicated by the income approach	54,400,000 yen	
Value using the DCF method (The income and expenditure items for the first fiscal year)	54,400,000 yen	
(1) Operating revenues (a + b - c)	Undisclosed (Note)	
a. Rent Income		
b. Other income		
c. Loss from non-occupancy, etc.		
(2) Operating costs (a+b+c+d+e+f+g)	Undisclosed (Note)	
a. Maintenance/Administrative fees, etc.		
b. Utilities		
c. Repairs		
d. Property management fee		
e. Public charges and taxes		
f. Casualty insurance premiums		
g. Other expenses		
(3) Net operating income (NOI = (1) - (2))	Undisclosed (Note)	
(4) Operating profit on deposit and security	Undisclosed (Note)	
(5) Capital expenditures	-	
(6) Net cash flow (NCF = (3) + (4) - (5))	1,793,300 yen	
(7) Discount rate (Holding period and return price)	4.7%	Assessed based on a consideration of the individuality of the real estate, etc., with reference to the discount rate related to similar transaction cases, etc.

Special items to consider at the time of making adjustments to provisional calculations and deciding the appraisal value	The appraisal value is determined by the income approach based on the DCF method.
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The appraisal value of real estate is no more than an indication of the opinion on the value of the appraised real estate at the time of the appraisal conducted by the real estate appraiser in accordance with the Act on Real Estate Appraisal, Real Property Appraisal Standards, etc. There are cases where another appraisal of the same real estate may result in a different appraisal value, depending on the real estate appraiser conducting the appraisal and the method or timing of the appraisal. Furthermore, the appraisal of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase at that appraisal value.

Note: The Asset Management Company decided not to disclose these items as no consent has been obtained from the seller for the disclosure of rents, etc. For the reason that the assessment is based on actual results for reference, there is a possibility that disclosure of these items will affect its competitiveness and damage the interests of unitholders.

Reference Material 2

< Table of Real Estate Portfolio After the Additional Acquisition >

Property Name	Facility (Type of Use)	Region	Acquisition (Planned) Date	Acquisition(Planned) Price(millions of yen)	Investment Ratio
HEP Five (14% of the quasi co-ownership of the trust beneficiary interests)	Retail	Kansai	February 1, 2005	6,468	3.8%
Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	4.6%
Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	4.1%
Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	5.1%
			June 4, 2020	55	
Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	0.8%
Hotel Gracery Tamachi	Retail	Other	December 25, 2008	416	0.2%
HANKYU NISHINOMIYA GARDENS (28% of the quasi co-ownership of the trust beneficiary interests)	Retail	Kansai	April 16, 2013	18,300	10.8%
AEON MALL SAKAIKITA HANADA (site)	Retail	Kansai	June 27, 2013	8,100	4.8%
MANDAI Toyonaka Honan Store (site)	Retail	Kansai	June 27, 2013	1,870	1.1%
Kita-Aoyama San cho-me Building	Retail	Other	November 12, 2013	1,680	1.0%
DAILY QANAT Izumiya Horikawa Marutamachi Store (site)	Retail	Kansai	June 4, 2014	3,100	1.8%
kotocross Hankyu Kawaramachi	Retail	Kansai	June 4, 2014	2,770	1.6%
LIFE Shimoyamate Store (site)	Retail	Kansai	June 4, 2014	1,421	0.8%
MANDAI Gojo Nishikoji Store (site)	Retail	Kansai	June 24, 2014	4,182	2.5%
KOHYO Onohara Store	Retail	Kansai	July 1, 2016	1,631	1.0%
OASIS Town Itami Konoike (site)	Retail	Kansai	November 25, 2016	7,100	4.2%
METS OZONE	Retail	Other	February 15, 2018	5,400	3.2%
MANDAI Nigawa Store (site)	Retail	Kansai	March 27, 2018	2,280	1.3%
LAMU Higashiosaka Branch (site)	Retail	Kansai	March 27, 2018	1,850	1.1%
Vessel Inn Hakata Nakasu	Retail	Other	March 29, 2018	2,760	1.6%
Valor Takatsuki Store (site)	Retail	Kansai	March 29, 2019	2,258	1.3%
FUNDES JIMBOCHO	Retail	Other	March 29, 2019	2,830	1.7%
nanohana Ebisubashi (site)	Retail	Kansai	March 31, 2020	4,230	2.5%
MANDAI Shimoshinjo Store	Retail	Kansai	March 31, 2020	674	0.4%
Subtotal				103,963	61.2%
Shiodome East Side Building	Office	Other	February 29, 2008	19,025	11.2%
Hankyu Corporation Head Office Building	Office	Kansai	April 10, 2013	10,200	6.0%
SHIBAURA RENASITE TOWER	Office	Other	May 28, 2020	3,475	2.0%
Subtotal				32,700	19.2%
Ueroku F Building	Complex	Kansai	November 1, 2005	2,980	1.8%
Sphere Tower Tennozu (33% of the quasi co-ownership of the trust beneficiary interests)	Complex	Other	October 2, 2007	9,405	5.5%
LAXA Osaka	Complex	Kansai	January 22, 2009	5,122	3.0%
GRAND FRONT OSAKA (Umekita Plaza and South Building) (equivalent of 4.9% co-ownership)	Complex	Kansai	December 5, 2018	9,212	5.4%
GRAND FRONT OSAKA (North Building) (equivalent of 4.9% co-ownership)	Complex	Kansai	December 5, 2018	6,566	3.9%
Subtotal				33,285	19.6%
Total				169,950	100.0%

Note: Regarding "Hotel Gracery Tamachi," it is planned that a quasi-co-ownership equivalent of 10% be transferred on August 28, 2020. Please refer to "Notice Concerning Acquisition of Domestic Real Estate, and Transfer of Domestic Real Estate Trust Beneficiary Interest and Domestic Real Estate" dated March 18, 2020 for details of the assets.

Reference Material 3

<Property Photograph>



<Map of Surrounding Area>

