



Hankyu REIT

For Immediate Release

<Provisional translation>
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REIT Issuer

Hankyu REIT, Inc. (Securities Code: 8977)
19-19 Chaya-machi, Kita-ku, Osaka
Yoshiaki Shiraki, Executive Director

Asset Management Company

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Notice Concerning Debt Financing

Hankyu REIT, Inc. (hereafter “Hankyu REIT”) announces its decision made today to undertake debt financing (hereafter the “Debt Financing”) as described below.

1. Reason for debt financing

These funds will be allocated for the repayment of 6,000 million yen in borrowings that was executed on November 24, 2016.

2. Details of Debt Financing (Scheduled)

Category	Lender	Amount of debt financing (millions of yen)	Interest rates (Note)	Drawdown date	Lending and repayment methods	Maturity date		
Long -term borrowings	Sumitomo Mitsui Trust Bank, Limited	2,800	Not determined Fixed interest rate	May 31, 2017	Unsecured/ non-guaranteed Lump-sum repayment	May 31, 2027		
Short -term borrowings	Sumitomo Mitsui Trust Bank, Limited	500	Base interest rate (JBA 1-month Japanese Yen TIBOR) + 0.15%					May 28, 2018
	Mitsubishi UFJ Trust and Banking Corporation	500						
	Sumitomo Mitsui Banking Corporation	500						
	Mizuho Bank, Ltd.	500	Variable interest rate					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500						
	Mizuho Trust & Banking Co., Ltd.	500						
	The Senshu Ikeda Bank, Ltd.	200						
Total		6,000						

Note : • As for long-term borrowings, Interest payment dates are the last day of every May and November with the first payment date being November 30, 2017 (or the previous business day if the applicable date is a non-business day of the bank). The interest rate are scheduled to be determined on May 29, 2017. They will be announced once they are determined.

• As for short-term borrowings, Interest payment dates are 26th of every month, with the first payment date being June 26, 2017 (or the next business day if the applicable date is a non-business day of the bank). Base interest rate applied on the interest to be paid on interest payment date will be JBA 1-month Japanese Yen TIBOR as of two days prior to the most recent interest payment date (in case of first payment, this will be the drawdown date) of each interest payment date. (The JBA 1-month Japanese Yen TIBOR as of May 22, 2017 is 0.03000%).

• The JBA 1-month Japanese Yen TIBOR can be referenced on the website of the JBA TIBOR Administration: <http://www.jbatibor.or.jp/english/rate/>

• In the future, Hankyu REIT will not provide notification regarding the determination of variable interest rate. As for changes to the applicable base interest rate, please refer to the website of JBA TIBOR Administration.

3. Use for funds

Capital for repayment of borrowing below

Category	Lender	Amount of debt financing (millions of yen)	Drawdown date	Lending and repayment methods	Maturity date
Short-term borrowings	Sumitomo Mitsui Trust Bank, Limited	3,300	November 24, 2016	Unsecured/ non-guaranteed Lump-sum repayment	May 31, 2017
	Mitsubishi UFJ Trust and Banking Corporation	500			
	Sumitomo Mitsui Banking Corporation	500			
	Mizuho Bank, Ltd.	500			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500			
	Mizuho Trust & Banking Co., Ltd.	500			
	The Senshu Ikeda Bank, Ltd.	200			
Total		6,000			

4. Balance of Interest-bearing Debt after Execution of Debt Financing

	Before execution of debt financing (millions of yen)	After execution of debt financing (millions of yen)	Change (millions of yen)
Short-term borrowings	6,000	3,200	-2,800
Long-term borrowings (Note)	55,900	58,700	+2,800
Total debt financing	61,900	61,900	±0
Investment corporation bonds	4,000	4,000	±0
Total interest-bearing debt	65,900	65,900	±0

(Note) Long-term borrowings are loans with a repayment term (from the drawdown date until the maturity date) exceeding one year.

5. Future Outlook

Since the impact of the Debt Financing on the conditions surrounding the management of Hankyu REIT's assets for the fiscal period ending May 2017 (24th fiscal period: December 1, 2016 to May 31, 2017) and November 2017 (25th fiscal period: June 1, 2017 to November 30, 2017) is expected to be minimal, there is no revision to the forecasts.

6. Other

The risks associated with the Debt Financing, such as risks of repayment, have not changed in any material way from the "risks associated with the fund procurement through additional issuance of new investment units, debt financing and issuance of investment corporation bonds" in the "Investment Risks" stated in the Securities Report for the 23rd fiscal period (submitted on February 22, 2017).

- Hankyu REIT website: <http://www.hankyu-reit.jp/eng/>