

Hankyu Hanshin REIT, Incorporated Financial Results for the 28th Fiscal Period From December 1, 2018 to May 31, 2019

Hankyu Hanshin REIT Inc. is listed on the Tokyo Stock Exchange (J-REIT) with the securities code number 8977 (Website: <https://www.hankyuhanshinreit.co.jp/eng/>).

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Supplement Material to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. Business Results for the Fiscal Period from December 1, 2018 to May 31, 2019

(1) Operating Results *(millions of yen, rounded down; except as noted)*

	Operating revenues		Operating income		Ordinary income	
	Change (%)		Change (%)		Change (%)	
For the period ended						
May 31, 2019	6,078	10.4	2,603	8.7	2,233	12.2
November 30, 2018	5,506	5.8	2,394	4.8	1,991	5.6

	Net income		Net income per unit	Net income/ Equity	Ordinary income/ Total assets	Ordinary income/ Operating revenues
	Change (%)		(yen)	(%)	(%)	(%)
For the period ended						
May 31, 2019	2,232	12.2	3,215	2.7	1.4	36.8
November 30, 2018	1,990	5.6	3,117	2.5	1.3	36.2

(Percent figures show the difference from previous period)

(2) Distributions*(millions of yen, rounded down; except as noted)*

	Distribution per unit (yen)	Total distributions	Distribution in excess of earnings per unit (yen)	Total distributions in excess of earnings	Payout ratio (%)	Distributions/ Net assets (%)
For the period ended						
May 31, 2019	3,211	2,232	0	—	100.0	2.6
November 30, 2018	3,117	1,990	0	—	100.0	2.5

Note:

1. "Distribution per unit" and "Total distributions" do not include distribution in excess of earnings.

2. As Hankyu Hanshin REIT Inc. issued additional investment units in the six months ended May 31, 2019, the dividend payout ratio for the period was calculated by using the following formula:

$$\text{Dividend payout ratio} = \text{Total distribution} / \text{Net income} \times 100$$

(3) Financial Position*(millions of yen, rounded down; except as noted)*

	Total assets	Net assets	Net assets/ Total assets (%)	Net assets per unit (yen)
As of				
May 31, 2019	169,306	86,503	51.1	124,429
November 30, 2018	155,922	78,727	50.5	123,300

(4) Cash Flows*(millions of yen, rounded down; except as noted)*

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
For the period ended				
May 31, 2019	10,274	(22,181)	11,486	9,693
November 30, 2018	3,711	(913)	(1,921)	10,114

**2. Forecasts for the Fiscal Period from June 1, 2019 to November 30, 2019
and from December 1, 2019 to May 31, 2020**
(millions of yen, rounded down; except as noted)

	Operating revenues		Operating income		Ordinary income		Net income		Distribution per unit	Distributions in excess of earnings per unit
	Change %		Change %		Change %		Change %		(yen)	(yen)
For the period ending November 30, 2019	5,952	(2.1)	2,515	(3.4)	2,156	(3.5)	2,155	(3.5)	3,100	0
For the period ending May 31, 2020	6,075	2.1	2,543	1.1	2,171	0.7	2,169	0.7	3,120	0

(Percent figures show the difference from previous period)

Notes:

1. "Distribution per unit" does not include distribution in excess of earnings.
2. Projected net income per unit for the fiscal period ending November 30, 2019 and May 31, 2020 are 3,100 yen and 3,120 yen, respectively.

3. Others

1. Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- (1) Changes in accounting policies due to revisions in accounting standards: None
- (2) Changes in accounting policies other than in the above item (1): None
- (3) Changes in accounting estimates: None
- (4) Retrospective restatement: None

2. Total number of investment units issued and outstanding

- (1) The total number of investment units issued and outstanding (including treasury investment units) as of the period-end:

As of May 31, 2019:	695,200 units
As of November 30, 2018:	638,500 units

- (2) The number of treasury investment units as of the period-end:

As of May 31, 2019:	- units
As of November 30, 2018:	- units

Disclaimer:

- * As of the publication of this Financial Report, no auditing procedure under the Financial Instruments and Exchange Law has been completed for the financial statements.
- * The forecasts for the fiscal period from June 1, 2019 to November 30, 2019 and from December 1, 2019 to May 31, 2020 are based on certain assumptions currently available to Hankyu Hanshin REIT Inc. Actual operating revenues, operating income, ordinary income, net income, distribution per unit (excluding Distributions in excess of earnings) and Distributions in excess of earnings per unit may differ substantially due to changes in conditions and the forecasts do not guarantee any cash distribution amounts.