

July 21, 2006

Financial Results for the Fiscal Period From December 1, 2005 to May 31, 2006

Hankyu REIT Inc. is listed on the Tokyo Stock Exchange (J-REIT) with the securities code number 8977. (Website: <http://www.hankyu-reit.jp/>)

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Date of Board of Directors' Meeting on Account Closing: July 21, 2006

Scheduled Commencement Date of Cash Distribution Payment: August 22, 2006

1. Business Results for the Fiscal Period From December 1, 2005 to May 31, 2006

(1) Operating Results

(in millions of yen, rounded down; except as noted)

	Operating revenues		Operating income		Ordinary income	
		Change (%)		Change (%)		Change (%)
For the period ended						
May 31, 2006	2,639	(27.1)	1,026	(29.7)	944	(28.4)
November 30, 2005	3,618	–	1,460	–	1,319	–
	Net income		Net income per unit	Net income/	(Ref.) Annualized	
		Change (%)	(yen)	Net assets	percentage	percentage
For the period ended						
May 31, 2006	942	(28.4)	13,579	2.6	5.3	
November 30, 2005	1,315	–	18,962	3.7	4.5	
	Ordinary income/		(Ref.) Annualized		Ordinary income/	
	Total assets	percentage	percentage	percentage	Operating revenues	percentage
For the period ended						
May 31, 2006	1.6	3.3		35.8		
November 30, 2005	2.5	3.0		36.5		

Notes:

1. The number of days during the fiscal period from December 3, 2004 to November 30, 2005 is 363 days, however, the number of days for actual duration of operation is 303 days from February 1, 2005.

2. Net income per unit is calculated based on the following number of day-averaged investment units for the period.

For the period ended May 31, 2006: 69,400 units

For the period ended November 30, 2005: 69,400 units
(average during above substantial investment period)

3. Percent figures of operating revenues, operating income, ordinary income, and net income show changes from previous period and there are no figure in those column for the period ended November 30, 2005 since it is the first period of the Hankyu REIT Inc.

4. Annualized percentage are calculated respectively as follows.

For the period ended May 31, 2006: The actual figure during the fiscal period/the number of days for the period (182 days) × 365 days

For the period ended November 30, 2005: The actual figure during the fiscal period/the number of days for actual duration of operation (303 days) × 365 days

5. To calculate the percentages of “Net income/Net assets” and “Ordinary income/Total assets”, net assets and total assets were averaged using the figures at the beginning and end of the period. Regarding the calculation for the period ended November 30, 2005, February 1, 2005, the commencement date of actual operation is deemed as the beginning of the period.

(2) Distributions

(in 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, 2006	13,579	942	0	—	100.0	2.6
November 30, 2005	18,962	1,315	0	—	100.0	3.7

Note:

“Distribution per unit” does not include distribution in excess of earnings per unit.

(3) Financial Position

(in 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, 2006	57,604	35,642	61.9	513,580
November 30, 2005	58,231	36,015	61.8	518,962

Note:

The number of investment unit issued

As of May 31, 2006

69,400 units

As of November 30, 2005

69,400 units

2. Forecasts for the Fiscal Period From June 1, 2006 to November 30, 2006

(in millions of yen, rounded down; except as noted)

	Operating revenues	Ordinary income	Net income	Distribution per unit (yen)	Distributions in excess of earnings per unit (yen)
For the period ending November 30, 2006	2,737	889	888	12,800	0

Notes:

- 1. "Distribution per unit" does not include distributions in excess of earnings per unit.*
- 2. Projected net income per unit for the fiscal period ending November 30, 2006 is 12,800 yen.*

Disclaimer:

The forecasts for the fiscal period from June 1, 2006 to November 30, 2006 are based on certain assumptions currently available to Hankyu REIT Inc. Actual net income and distribution per unit may differ substantially due to changes in conditions and the forecasts do not guarantee any cash distribution amounts.