



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 Debt Financing and Interest Rate Swap Transaction

Hankyu Hanshin REIT, Inc. (hereafter “HHR”) announces its decision made today to undertake debt financing (hereafter the “Debt Financing”) and interest rate swap transaction, as described below.

1. Reason for Debt Financing

To replenish cash on hand due to the redemption on maturity of 2,000-million-yen investment corporation bonds on November 10, 2023, and for repayment of the 4,900-million-yen borrowing for which repayment is due on November 30, 2023.

2. Details of Debt Financing (Scheduled)

Category	Lender	Amount of debt financing (millions of yen)	Interest rate (Note 4)	Drawdown Date	Lending and Repayment methods	Maturity date
Long-term borrowing (1)	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Limited (Note 1)	1,000	Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.20% Variable interest rate	November 30, 2023	Unsecured/ Non-guaranteed Lump-sum repayment	November 30, 2028
Long-term borrowing (2)	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Limited (Note 2)	2,000	Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.27% Variable interest rate			November 29, 2030
Long-term borrowing (3)	Syndicate of lenders arranged by Sumitomo Mitsui Trust Bank, Limited (Note 3)	3,900	Base interest rate (JBA 3-month Japanese Yen TIBOR) +0.33% Variable interest rate			May 31, 2032
Total		6,900				

Note 1: The syndicate of lenders consists of The Akita Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Chiba Bank, Ltd. and The Bank of Fukuoka, Ltd.

Note 2: The syndicate of lenders consists of Kansai Mirai Bank, Limited, The Gunma Bank, Ltd., Shinkin Central Bank, The Chugoku Bank, Ltd., The 77 Bank, Ltd., The Bank of Fukuoka, Ltd. and The Chiba Bank, Ltd.

Note 3: The syndicate of lenders consists of Shinkin Central Bank, The Bank of Kyoto, Ltd., The Juhachi-Shinwa Bank, Ltd., The Nanto Bank, Ltd., The Minato Bank, Ltd., Momiji Bank, Ltd., The Chiba Bank, Ltd., The Bank of Fukuoka, Ltd., Kansai Mirai Bank, Limited, The Kiyo Bank, Ltd., THE NISHI-NIPPON CITY BANK, LTD. and The Hachijuni Bank, Ltd.

Note 4:•The first interest payment date is February 29, 2024. Thereafter, the interest payment dates are the last day of every February, May, August and November until and including the maturity date (The interest payment date will be the next business day if the applicable date is a non-business day of the bank or the previous business day if the next business day falls in the next calendar month). Base interest rate applied on the interest to be paid on interest payment date will be JBA 3-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 3-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, HHR will not provide notifications 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

To increase cash on hand and 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 borrowing	MUFG Bank, Ltd.	900	December 1, 2022	Unsecured/ Non-guaranteed Lump-sum repayment	November 30, 2023
	Sumitomo Mitsui Banking Corporation	800			
	Sumitomo Mitsui Trust Bank, Limited	800			
	Mizuho Bank, Ltd.	800			
	The Senshu Ikeda Bank, Ltd.	800			
	Mizuho Trust & Banking Co., Ltd.	800			
Total		4,900			

4. Interest rate swap transaction

(1) Reason for the interest rate swap transaction

To hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the borrowings as described above in “2. Details of Debt Financing (Scheduled).”

Please note that the interest swap transaction may not be carried out under certain conditions of fixed interest rate for payment which will be determined later on.

(2) Details of Interest rate swap transaction (Scheduled)

They will be announced later once determined.

5. Balance of Interest-bearing Debt after Debt Financing

	Before the debt financing (millions of yen) (Note 2)	After the debt financing (millions of yen)	Change (millions of yen)
Short-term borrowings	4,900	0	-4,900
Long-term borrowings (Note 1)	69,400	76,300	+6,900
Total debt financing	74,300	76,300	+2,000
Investment corporation bonds	4,000	4,000	±0
Total interest-bearing liabilities	78,300	80,300	+2,000

Note 1: Long-term borrowings are loans with a repayment term (from the drawdown date until the maturity date) exceeding one year.

Note 2: It shows the balance after the redemption on maturity of 2,000-million-yen investment corporation bonds on November 10, 2023 from cash on hand.

6. Others

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 36th fiscal period submitted on August 23, 2023.

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