

July 16, 2020

For Immediate Release

REIT Issuer

Hankyu Hanshin 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 Changes in the Articles of Incorporation and Election of Directors

Hankyu Hanshin REIT, Inc. (hereafter “HHR”) hereby notifies that it has decided today by resolution of the executive meeting to put forward proposals at the 11th General Unitholders’ Meeting (hereafter the “Unitholders’ Meeting”) to be held on August 25, 2020, the following matters: changes to the Articles of Incorporation and election of directors. Details are described below.

Details

1. Reasons for Changing the Articles of Incorporation and Details of Changes

- (1) Among remunerations paid by HHR to Hankyu Hanshin REIT Asset Management, Inc. (hereafter the “Asset Management Company”), the rate of management remuneration 1, which is linked to total assets, will be decreased, while management remuneration 2 will be changed from a remuneration system linked to amount distributable to a remuneration system linked to amount distributable per unit and NOI (the amount arrived at when lease-related expenses (excluding depreciation) is deducted from lease operating revenues in an operating period), under an aim to further strengthen the link with investors’ interests along with the introduction of a remuneration system that takes into consideration deterrence over dilution of existing investment units, in addition to the change in the rate of management remuneration 2. Furthermore, based on the viewpoint of realizing investors’ interests, remuneration upon transfer will be introduced in order to enhance efforts that contribute to improving the quality of HHR’s portfolio over a long term, and with this, the name of management remuneration 3 will be changed to remuneration upon acquisition. In addition, remuneration upon merger will be newly introduced for the case in which HHR conducts a merger. (Related section: Attachment of the current Articles of Incorporation.)
- (2) To establish provisions in supplementary provisions to the effect that, among the changes to the Articles of Incorporation above, the changes to the Articles of Incorporation concerning remuneration upon acquisition, remuneration upon transfer and remuneration upon merger shall become effective with September 1, 2020, as the effective date, and the changes to the Articles of Incorporation concerning management remunerations 1 and 2 shall become effective with December 1, 2020, as

the effective date, respectively. (Related section: Supplementary provisions of the proposed change.)

2. Election of Directors

Executive Director Yoshiaki Shiraki and Supervisory Directors Tamio Uda and Motofumi Suzuki shall end their terms of office as of the end of the Unitholders' Meeting. Accordingly, HHR submits proposals to the Unitholders' Meeting to elect one Executive Director (candidate: Yoshiaki Shiraki) and two Supervisory Directors (candidates: Motofumi Suzuki and Hiroumi Shioji).

In addition, for any insufficient number of executive directors and supervisory directors prescribed by laws and regulations, HHR submits proposals to the Unitholders' Meeting to elect one alternate Executive Director (candidate: Toshinori Shoji) and one alternate Supervisory Director (candidate: Hideaki Okano).

3. Schedule

July 16, 2020	Resolution at the executive meeting to submit proposals to the Unitholders' Meeting
August 4, 2020	Announce proposals in convocation notice of the Unitholders' Meeting (Domestic only) (TBD)
August 25, 2020	Hold the Unitholders' Meeting, and put forward proposals to change the Articles of Incorporation and to elect directors (TBD)

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