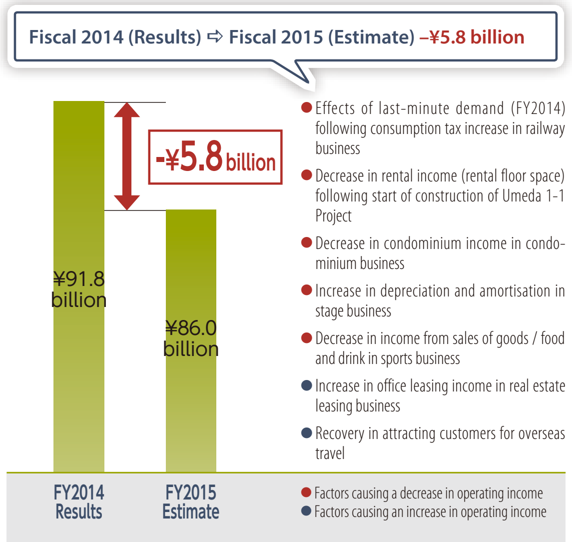
Performance Outlook for Fiscal 2015

Revenues from operations and operating income are both expected to decrease slightly due to the start of construction of the Umeda 1-1 Project. However, through ongoing effort to improve our financial position, we expect to achieve an interest-bearing debt/EBITDA ratio of 6.8 times, our fiscal 2016 plan value announced in May 2013, one year ahead of schedule.

In fiscal 2015, revenues from operations are expected to decline 1.3%, or ¥9.2 billion, year on year, to ¥670.0 billion and operating income to drop 6.3%, or ¥5.8 billion, to ¥86.0 billion. The reasons for the projected decline include a downturn in railway operation revenue caused by last-minute demand for commuter passes following the consumption tax hike in the previous fiscal year and a decrease in rental income (rental floor space) due to the start of construction of the Umeda 1-1 Project (Dai Hanshin Building and Shin Hankyu Building rebuilding projects). Further, ordinary income declined 5.2%, or ¥4.2 billion, to ¥77.0 billion and net income dipped 2.9%, or ¥1.4 billion, to ¥45.0 billion, largely due to an improvement in the financial account balance resulting from a decrease in interest expenses.

Meanwhile, we plan to continue reducing interest-bearing debt from the previous fiscal year through an ongoing detailed review of capital investments, and anticipate interest-bearing debt of ¥970.0 billion at the end of fiscal 2015. As a result, an interest-bearing debt/EBITDA ratio of 6.7 times is projected and we expect to achieve the ratio of 6.8 times, our fiscal 2016 plan value announced in May 2013, one year ahead of schedule.

Operating Income (Fiscal 2014 ⇨ Fiscal 2015)



■ Consolidated Performance and Key Performance Indicators during the Medium-Term Management Plan Period

(FY)	2008	2009	2010	2011	2012	2013	2014 (Results)	2015 (Est.)	2016 (Plan)
Operating income (¥ billion)	90.7	77.8	70.1	64.7	73.8	87.9	91.8 (84.0)	86.0	82.0 (85.0)
EBITDA (¥ billion)	145.2	135.3	133.2	127.1	133.5	145.1	149.2 (142.0)	144.0	141.0 (143.0)
Interest-bearing debt (¥ billion)	1,271.1	1,275.6	1,282.6	1,251.7	1,183.6	1,126.6	1,032.3 (1,100.0)	970.0	950.0 (980.0)
Interest-bearing debt/ EBITDA (times)	8.8	9.4	9.6	9.8	8.9	7.8	6.9 (7.7)	6.7	6.7 (6.8)
ROE (%)	0.1	4.4	2.3	3.8	7.9	7.4	8.0 (7.5)	7.2	6.8 (7.2)
Debt/equity ratio (times)	2.7	2.8	2.7	2.6	2.3	2.0	1.7 (1.9)	1.5	1.4 (1.5)

Notes: 1. Includes department store business (Hanshin Department Store Group) (treated as a consolidated subsidiary up to the first half of fiscal 2008)
2. Due to a change in the accounting method, consolidated interest-bearing debt from fiscal 2009 and after includes lease obligations
3. EBITDA = operating income + depreciation + amortisation of goodwill
4. Figures shown in parentheses are for the plan announced in May 2013.

Urban Transportation

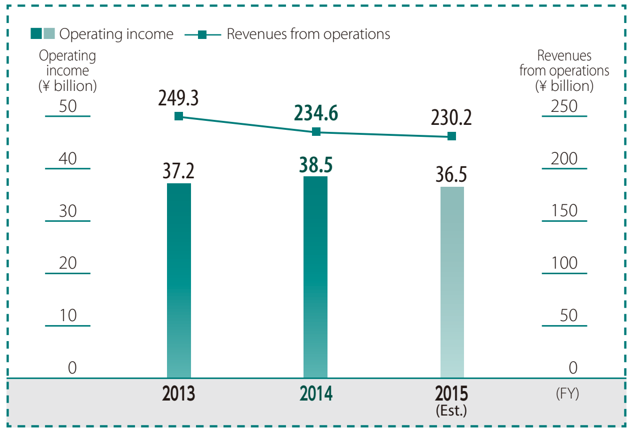
In the Railway Business, because of the extra demand that was generated in the previous fiscal year in advance of the hike in the consumption tax rate and also the decline in passenger numbers in the Automobile Business, we forecast that revenues from operations will decline 1.9%, or ¥4,400 million year on year, to ¥230,200 million. In addition to the factors that will cause revenues to decline, depreciation and amortisation expenses and power-related expenses are expected to rise. Therefore, we forecast operating income will decrease 5.2%, or ¥2,000 million year on year, to ¥36,500 million.

Hankyu Corporation and Hanshin Electric Railway: Performance Forecasts (Fiscal 2015)

	Fare revenues (¥ million)*			
	FY2015	FY2014	Change	%
Hankyu	91,717	92,929	–1,212	–1.3%
Hanshin	30,981	31,269	–287	–0.9%

	Passenger volumes (thousands)*			
	FY2015	FY2014	Change	%
Hankyu	621,260	629,125	–7,865	–1.3%
Hanshin	223,679	226,004	–2,325	–1.0%

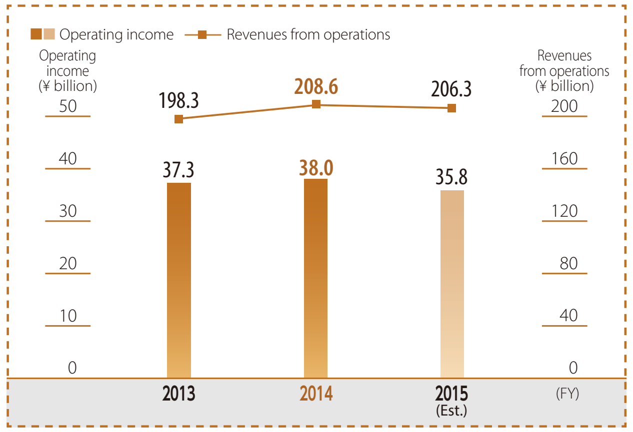
* Sum of tier 1 and tier 2 operators for both Hankyu and Hanshin



Real Estate

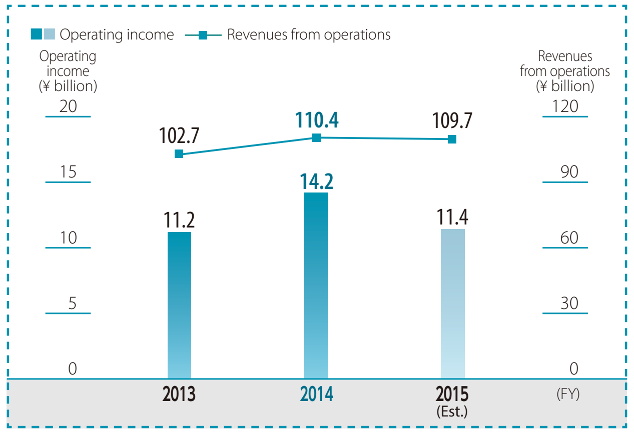
In the real estate leasing business, while we expect an increase in office rental income, we also anticipate that there will be a decline in rental income (from the reduced rental area) due to the start of construction work of the Umeda 1-1 Project (the rebuilding of the Dai Hanshin Building and the Shin Hankyu Building), and also a reduction in earnings from sales of condominiums within real estate sales business. Consequently, we forecast revenues from operations will decline 1.1%, or ¥2,300 million year on year, to ¥206,300 million, and operating income will fall 5.8%, or ¥2,200 million, to ¥35,800 million.

* Please refer to P.32 for details of the Umeda 1-1 Project.



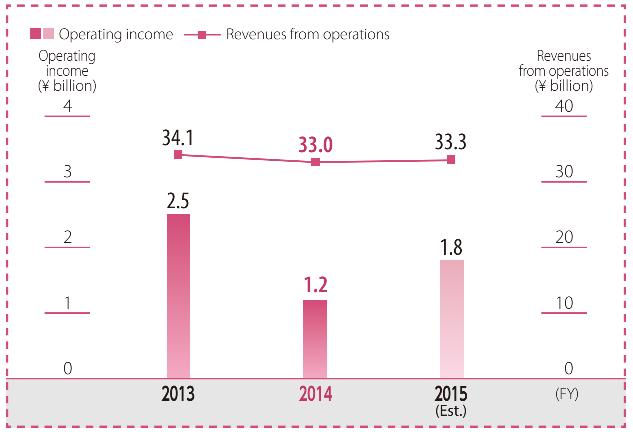
Entertainment and Communications

In the sports business, we expect a decline in revenues from sales of Hanshin Tigers merchandise and food and drink, as they performed particularly strongly in the previous year, and therefore forecast that revenues from operations will decline 0.6%, or ¥700 million year on year, to ¥109,700 million. Also, in addition to the above factors causing decreases, we expect an increase in depreciation and amortisation expenses in the stage business in conjunction with the theatre refurbishment work, and so are forecasting that operating income will fall 19.6%, or ¥2,800 million, to ¥11,400 million.



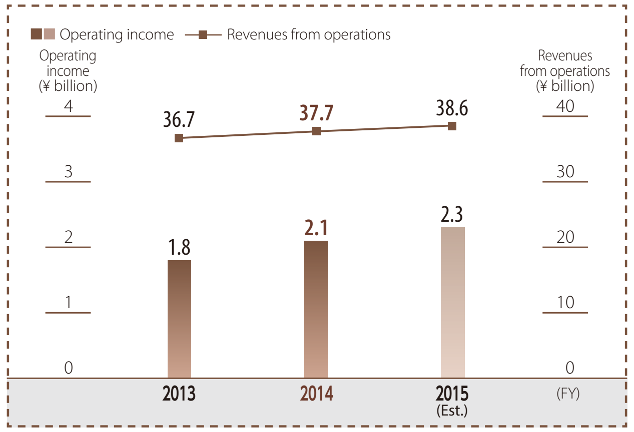
Travel

Although we expect a year-on-year decline in domestic travel, we also anticipate a recovery in overseas travel for tourists visiting Taiwan, Turkey, and Egypt. So we forecast revenues from operations will increase 0.9%, or ¥300 million year on year, to ¥33,300 million, and operating income will rise 47.1%, or ¥600 million, to ¥1,800 million.



International Transportation

We expect a moderate recovery in logistics demand among our overseas subsidiaries, particularly those in ASEAN and East Asia. Consequently, we forecast revenues from operations will grow 2.4%, or ¥900 million year on year, to ¥38,600 million, and that operating income will increase 12.1%, or ¥200 million, to ¥2,300 million.



Hotels

Continuing on from the previous fiscal year, we expect inbound demand to increase for hotels specialising in lodging services. Therefore, we forecast revenues from operations will increase 0.9%, or ¥600 million year on year, to ¥64,300 million. Also, in addition to the above-described factors that are expected to increase revenues, we expect that the elimination of unprofitable businesses in the previous year will contribute and so are forecasting that operating income will rise 23.6%, or ¥200 million, to ¥1,000 million.