Performance Highlights (Consolidated)

Key Financial Indicators

(¥ million)

FY		2007[2]	2008	2009	2010	2011	2012	2013
Result of Operations:								
Revenues from operations		¥ [813,613]	¥ 752,300	¥ 683,715	¥ 653,287	¥ 638,770	¥ 649,703	¥ 682,439
Operating income		[94,800]	90,724	77,823	70,126	64,743	73,809	87,921
EBITDA[3]		[146,500]	145,200	135,300	133,200	127,100	133,500	145,100
Ordinary income		74,869	74,882	57,445	50,409	46,494	65,393	74,914
Income before income taxes and minority interests		65,305	26,098	34,064	33,899	32,760	43,419	62,192
Net income		[40,507]	627	20,550	10,793	18,068	39,252	39,702
Comprehensive income		—	—	—	12,541	14,728	44,992	54,081
Capital expenditure		53,795	134,307	109,688	132,386	68,431	55,267	59,512
Depreciation and amortisation		43,888	51,577	54,798	60,418	59,669	56,968	54,540
Cash Flows:								
Cash flows from operating activities		¥ 78,981	¥ 74,902	¥ 108,597	¥ 146,955	¥ 103,252	¥ 124,525	¥ 127,655
Cash flows from investing activities		(199,578)	(100,058)	(115,047)	(132,737)	(62,516)	(44,295)	(58,923)
Free cash flow[4]		(120,596)	(25,155)	(6,449)	14,217	40,735	80,230	68,732
Cash flows from financing activities		132,289	36,718	7,014	(24,200)	(39,544)	(78,978)	(69,195)
Financial Position:								
Total assets		¥2,366,694	¥2,348,476	¥2,307,332	¥2,337,331	¥2,314,669	¥2,274,380	¥2,281,007
Total net assets		522,286	476,639	473,878	480,633	486,947	524,801	573,154
Interest-bearing debt		1,209,382	1,271,100	1,275,620	1,282,583	1,251,665	1,183,647	1,126,633
Per Share Data (yen and U.S. dollars):								
Net income	Basic	¥ 31.84	¥ 0.50	¥ 16.28	¥ 8.55	¥ 14.32	¥ 31.13	¥ 31.48
	Diluted	—	0.41	16.18	8.51	14.27	31.13	31.47
Net assets		405.35	369.25	366.96	371.70	377.17	407.01	443.63
Dividend		5.00	5.00	5.00	5.00	5.00	5.00	5.00
Ratios:								
Operating income margin (%)		[11.7]	12.1	11.4	10.7	10.1	11.4	12.9
ROA (%)[5]		3.8	3.2	2.5	2.2	2.0	2.8	3.3
ROE (%)[6]		[8.4]	0.1	4.4	2.3	3.8	7.9	7.4
Interest-bearing debt/EBITDA (times)		8.3[10]	8.8	9.4	9.6	9.8	8.9	7.8
Equity ratio (%)		21.7	19.9	20.1	20.1	20.6	22.6	24.5
Debt/equity (D/E) ratio (times)[7]		2.4	2.7	2.8	2.7	2.6	2.3	2.0
Stock Price Index:								
Stock price at the end of fiscal year (yen and U.S. dollars)		¥ 713	¥ 431	¥ 447	¥ 433	¥ 384	¥ 361	¥ 569
Market capitalisation (¥ billion, $ million)		906.5	548.0	568.3	550.5	488.2	459.0	723.4
PER (times)		22.4	862.0	27.5	50.6	26.8	11.6	18.1
PBR (times)		1.8	1.2	1.2	1.2	1.0	0.9	1.3
Business Data:								
Hankyu Railway (thousand)[8]		618,877	618,373	618,585	605,963	603,233	608,632	615,324
Hanshin Electric Railway (thousand)[8]		179,871	180,906	182,997	193,620	205,202	218,560	221,133
Average vacancy rates of rental office buildings (Umeda area, Osaka; %)[9]		2.95	3.08	5.88	8.90	11.22	7.29	11.50

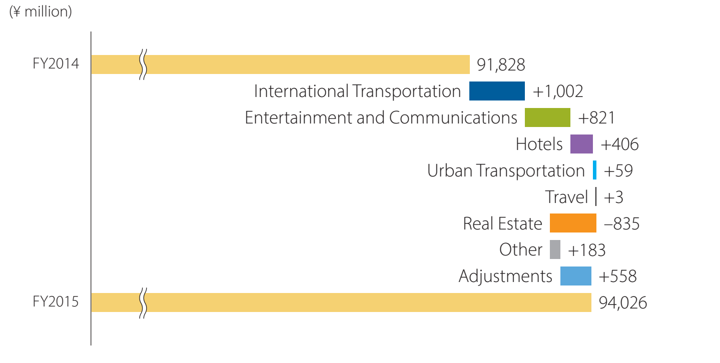
1. The U.S. dollar amounts have been translated, for convenience only, at ¥120 = $1, the prevailing exchange rate on the Tokyo Foreign Exchange Market at 31st March 2015.
2. Since the second quarter of fiscal 2007, the results of Hanshin Electric Railway Co., Ltd. have been included in consolidated results due to its inclusion within the scope of consolidation as a result of management integration. Figures in parentheses have been calculated based on the assumption that management integration was executed at the beginning of the fiscal year.
3. EBITDA = operating income + depreciation expenses + amortisation of goodwill. EBITDA figures are rounded to the nearest ¥100 million.
4. Free cash flow = cash flows from operating activities + cash flows from investing activities
5. ROA = ordinary income/total assets (average of period-start and period-end totals)
6. ROE = net income/equity (average of period-start and period-end totals)
7. D/E ratio = interest-bearing debt/equity
8. Annual number of passengers carried
9. Average vacancy rate figures are overall rates for the Umeda city centre area at the end of March for major rental office buildings (including properties not owned by the Group) with a total floor area of at least 3,300 m^2 and are based on "Latest Trends in the Office-Building Market in Osaka," Miki Shoji Office Data.
10. The figure has been calculated using EBITDA, which has been calculated based on the assumption that management integration was executed at the beginning of the fiscal year.

		($ thousand[1])
2014	2015	2015
¥ 679,157	¥ 685,906	$ 5,715,883
91,828	94,026	783,550
149,200	150,100	1,250,833
81,191	85,590	713,250
83,542	77,620	646,833
46,352	54,201	451,675
55,941	71,034	591,950
80,722	68,115	567,625
54,474	53,143	442,858
¥ 146,991	¥ 131,881	$ 1,099,008
(45,517)	(52,529)	(437,742)
101,474	79,352	661,266
(105,079)	(81,746)	(681,217)
¥2,286,928	¥2,279,638	$18,996,983
617,598	679,482	5,662,350
1,032,307	955,828	7,965,233
¥ 36.76	¥ 42.98	$ 0.36
36.75	42.95	0.36
477.69	525.56	4.38
6.00	6.00	0.05
13.5	13.7	—
3.6	3.7	—
8.0	8.6	—
6.9	6.4	—
26.3	29.1	—
1.7	1.4	—
¥ 562	¥ 743	$ 6.19
714.5	944.7	7,873
15.3	17.3	—
1.2	1.4	—
629,125	627,536	—
226,004	227,203	—
9.22	7.84	—

Revenues from operations: ¥685.9 billion
(up 1.0%, or ¥6.7 billion, from the previous fiscal year)
Operating income: ¥94.0 billion
(up 2.4%, or ¥2.2 billion, from the previous fiscal year)

The International Transportation Business performed well due to special demand and a pickup in freight demand, while the Entertainment and Communications Business saw the Hanshin Tigers professional baseball team and the Takarazuka Revue post favourable results. Thanks to contributions from these businesses, revenues from operations increased 1.0%, or ¥6.7 billion, year on year, to ¥685.9 billion, and operating income rose 2.4%, or ¥2.2 billion, to ¥94.0 billion.

Operating income: Factor analysis (YoY change)



Net income: ¥54.2 billion
(up 16.9%, or ¥7.8 billion, from the previous fiscal year)

Net non-operating loss (total non-operating expenses net of total non-operating income) improved 20.7%, or ¥2.1 billion, year on year, to ¥8.4 billion, due to an increase in equity in income of affiliates. Further, total extraordinary income net of total extraordinary loss was a loss of ¥8.0 billion, compared with the previous fiscal year's income of ¥2.3 billion, because gain on sales of investment securities did not fully compensate for a decrease in gain on sales of noncurrent assets.

Net income was up 16.9%, or ¥7.8 billion, year on year, to ¥54.2 billion. In addition to the abovementioned factors, this increase reflected higher operating income and a reversal of deferred tax assets and liabilities that resulted from a revision of the tax system, which mainly comprised a reduction in total income taxes.

Net income: Factor analysis (YoY change)

Increase in revenues from operations	+¥6.7 billion
Decrease in selling, general and administrative expenses	+¥1.9 billion
Decrease in total non-operating expenses	+¥1.6 billion
Increase in total non-operating income	+¥0.6 billion
Increase in minority interests in income	+¥0 billion
Decrease in total income taxes	+¥13.8 billion
Increase in operating expenses and costs of sales of transportation	–¥6.4 billion
Decrease in total extraordinary income	–¥2.5 billion
Increase in total extraordinary loss	–¥7.9 billion

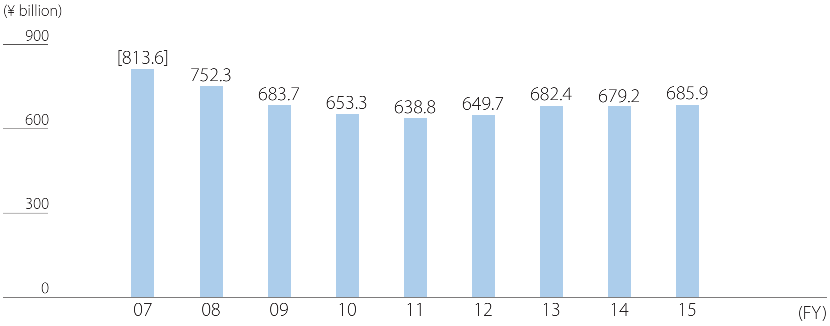
Interest-bearing debt: ¥955.8 billion
(down 7.4%, or ¥76.5 billion, from the previous fiscal year-end)

The outstanding balance of interest-bearing debt at the end of the fiscal year under review amounted to ¥955.8 billion, a decrease of 7.4%, or ¥76.5 billion, from the previous fiscal year-end. This was because proceeds from sales of investment securities and net cash provided by operating activities were used to repay interest-bearing debt.

Performance Highlights (Consolidated)

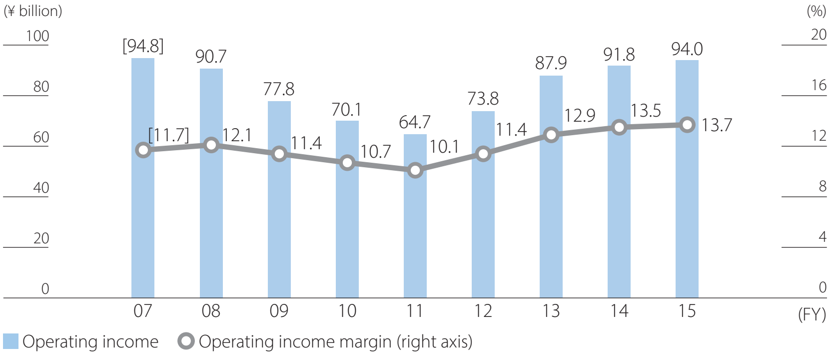
Key Financial Indicators (Graphs)

Revenues from operations



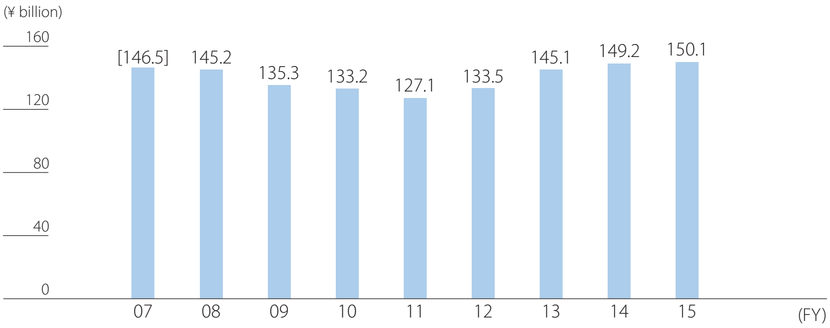
In fiscal 2015, revenues from operations increased 1.0%, or ¥6.7 billion, year on year, to ¥685.9 billion. This reflected a favourable performance by the Entertainment and Communications Business due to the Hanshin Tigers professional baseball team reaching the Japan Series and the popularity of the performances of the Takarazuka Revue, which celebrated its 100th anniversary, and higher revenues from construction and other businesses of the Other segment.

Operating income and operating income margin



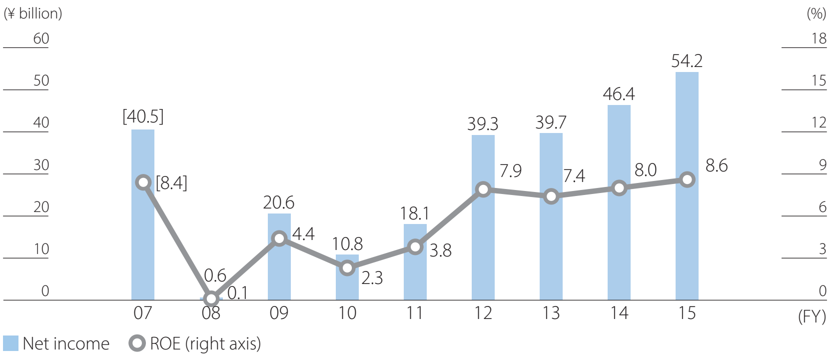
Operating income was ¥94.0 billion, reaching a new record for the second consecutive fiscal year. This resulted from a 48.8% year-on-year rise in the operating income of the International Transportation Business—due to currency rate fluctuations and special demand for air transportation—and steady railway operation revenue. These positive factors as well as the abovementioned factors contributing to the increase in revenues from operations more than offset a decrease in earnings accompanying the sale by the Real Estate Business of land for facilities in the previous fiscal year.

EBITDA



Operating income rose 2.4% year on year, to ¥94.0 billion; depreciation and amortisation decreased 2.4%, to ¥53.1 billion; and amortisation of goodwill edged up 0.4%, to ¥2.9 billion. As a result, EBITDA reached ¥150.1 billion, surpassing ¥150.0 billion for the first time since the Group's establishment in 2007.

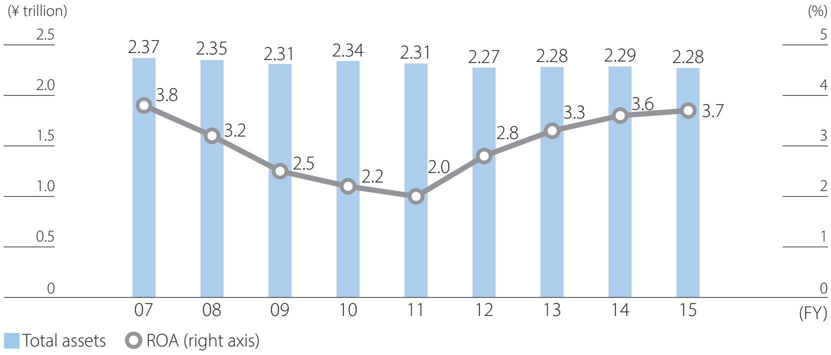
Net income and ROE



Net income rose 16.9%, or ¥7.8 billion, year on year, to a new record of ¥54.2 billion, due to a decrease in income taxes—deferred accompanying a reduction in total income taxes and a reversal of deferred tax assets and liabilities. As a result, ROE increased 0.6 percentage points, to 8.6%.

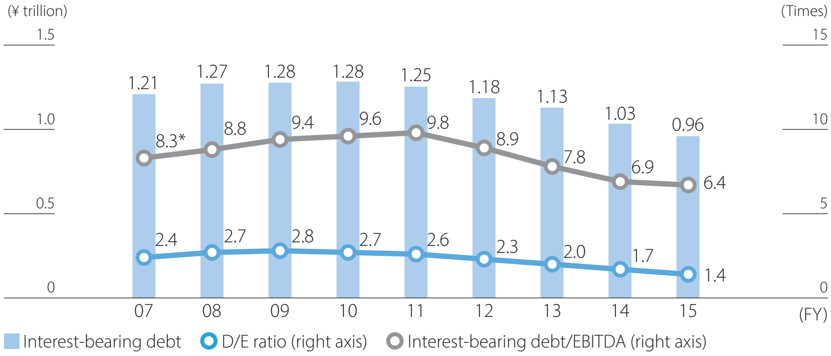
Note: From the second quarter of fiscal 2007, consolidated results of Hanshin Electric Railway Co., Ltd. are included as a result of management integration in the scope of consolidation of the Group. Figures in [ ] are calculated assuming the management integration had entered effect from the beginning of the term.

Total assets and ROA



Total assets edged down 0.3%, or ¥7.3 billion, from the previous fiscal year-end, to ¥2,279.6 billion, due to a decrease in land and buildings. ROA edged up 0.1 percentage points, to 3.7%, reflecting the record ordinary income that resulted from higher revenues from operations.

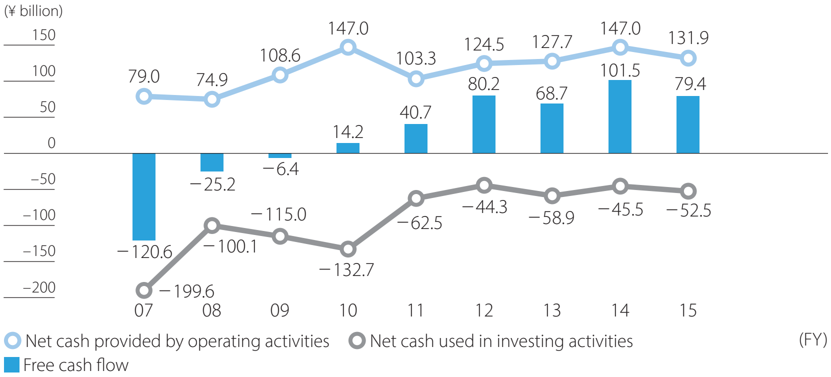
Interest-bearing debt, D/E ratio, and interest-bearing debt/EBITDA



* The figure has been calculated using EBITDA, which has been calculated based on the assumption that management integration was executed at the beginning of the fiscal year.

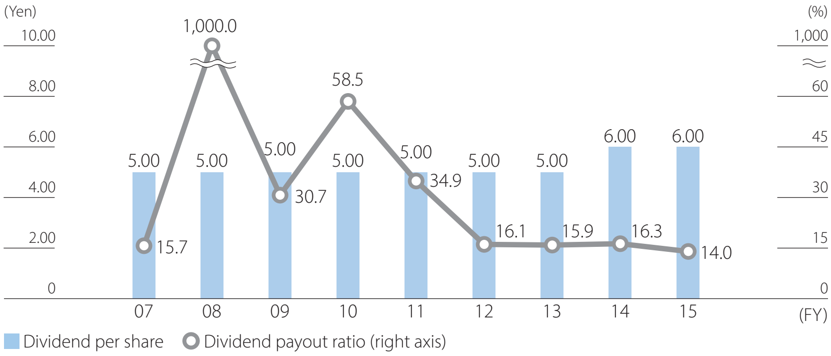
The outstanding balance of interest-bearing debt was down 7.4%, or ¥76.5 billion, from the previous fiscal year-end, to ¥955.8 billion, due to the use of net cash provided by operating activities to repay interest-bearing debt. Consequently, the D/E ratio decreased to 1.4 times. Also, the interest-bearing debt/EBITDA ratio declined from 6.9 times to 6.4 times, reflecting steady improvement in the Company's financial position.

Cash flows



Net cash provided by operating activities was ¥131.9 billion, reflecting a decrease in income before income taxes and minority interests and loss on impairment of fixed assets. Net cash used in investing activities was ¥52.5 billion, reflecting lower proceeds from sales of noncurrent assets. Net cash used in financing activities was ¥81.7 billion due to repayment of long-term debt.

Returns to shareholders



In accordance with its policy of stable dividend payments, the Company has paid dividends based on a minimum level set at ¥6 per share since the appropriation of profits for fiscal 2014. In fiscal 2016, the Company will further enhance returns to shareholders by raising the dividend to ¥7 per share and purchasing treasury stock with a view to realizing a total payout ratio of 25%, a newly established indicator.

Fiscal 2015 Business Results

Before giving an overview of initiatives to date and explaining those going forward, I will report on business results in fiscal 2015.

In fiscal 2015, yen depreciation and concerns about security overseas weakened the performance of the Travel Business. In the Entertainment and Communications Business, however, the Hanshin Tigers reached the Japan Series, and the performances of the Takarazuka Revue, which celebrated its centenary, were well received. Other business segments achieved favourable business results overall. In the Urban Transportation Business, the Hankyu and Hanshin lines performed steadily. As for the Real Estate Business, office occupancy rates in the Umeda area rose, while the International Transportation Business and the Hotels Business realised solid business results. Consequently, the Group recorded year-on-year increases of 1.0%, or ¥6.7 billion, in revenues from operations, to ¥685.9 billion, and 2.4%, or ¥2.2 billion, in operating income, to ¥94.0 billion. Further, thanks to an improvement in the financial account balance resulting from the reduction of interest-bearing debt, ordinary income rose 5.4%, or ¥4.4 billion, year on year, to ¥85.6 billion, while net income grew 16.9%, or ¥7.8 billion, year on year, to ¥54.2 billion.

Net income was up significantly year on year. This improvement was primarily attributable to a reversal of deferred tax assets and liabilities that arose from revision of the tax system and which was a one-time factor limited to fiscal 2015. Nevertheless, even excluding this one-time factor, net income rose year on year.

Fiscal 2015 business results overview

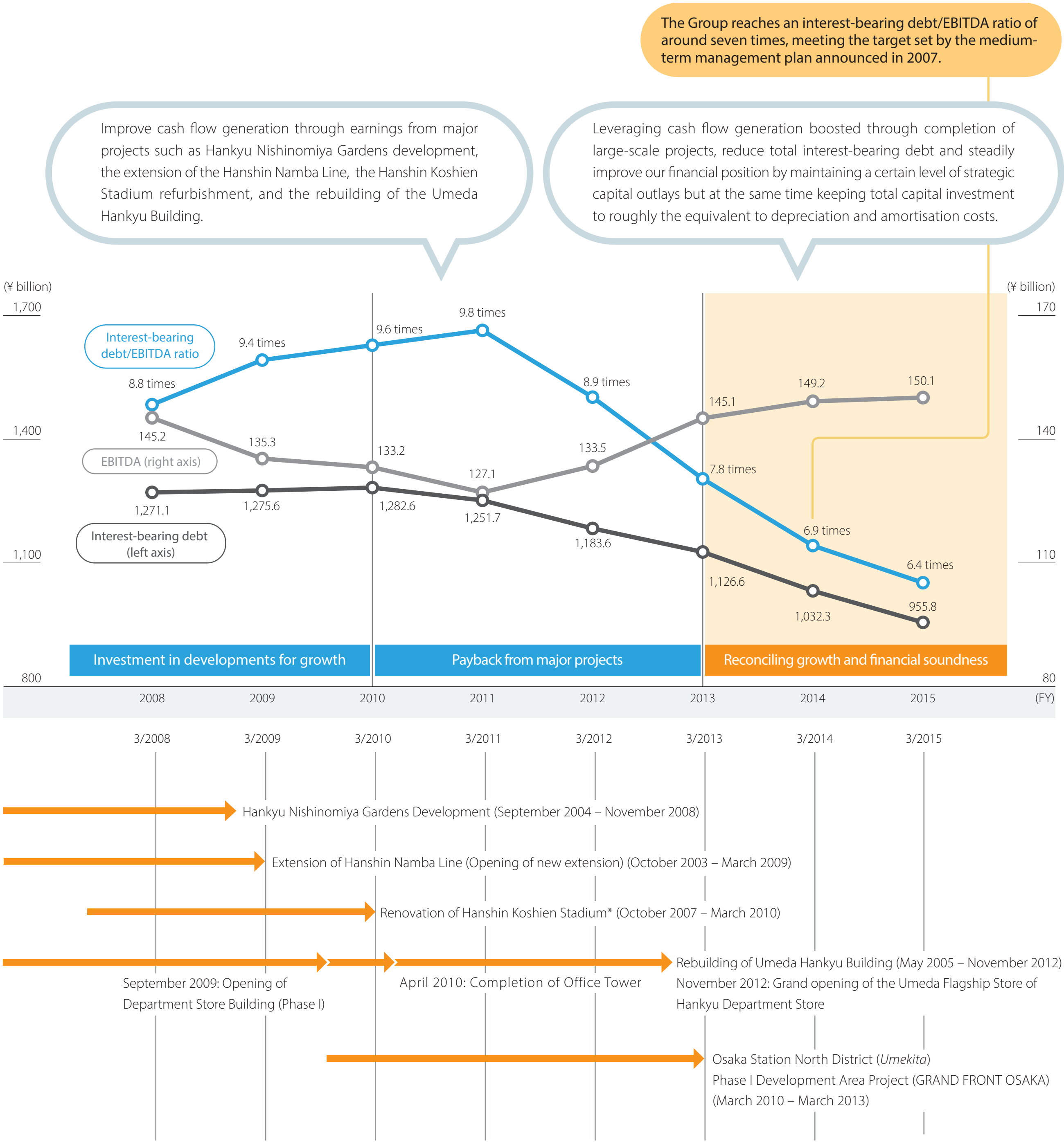
(¥ billion)

	FY2014 results	FY2015 results	YoY	
			(Increase)	(%)
Revenues from operations	679.2	685.9	6.7	1.0
Operating income	91.8	94.0	2.2	2.4
Ordinary income	81.2	85.6	4.4	5.4
Net income	46.4	54.2	7.8	16.9

Overview of Initiatives to Date

Established through the management integration of Hankyu Holdings, Inc. and Hanshin Electric Railway Co., Ltd. in October 2006, Hankyu Hanshin Holdings, Inc. announced its inaugural medium-term management plan, Hankyu Hanshin Holdings Group 2007 Medium-Term Management Plan, in March 2007. When the plan began, the Group was advancing several large projects simultaneously, including the rebuilding of Umeda Hankyu Building and the extension of the Hanshin Namba Line. Consequently, interest-bearing debt rose temporarily, reaching more than ¥1,280 billion, while the interest-bearing debt/EBITDA ratio increased to more than nine times. Given this level of debt, improving our financial position became an urgent management task. In particular, we viewed lowering the interest-bearing debt/EBITDA ratio to around seven times as our most important target and worked towards its achievement.

Specifically, we curbed capital investment with depreciation and amortisation levels as a benchmark. Furthermore, based on the stronger cash flow generation capabilities that accompanied the completion of such major projects as Umeda Hankyu Building, we gave priority to using surplus funds to improve our financial position through the reduction of interest-bearing debt. As a result, in fiscal 2014, we were able to reach the medium-term management plan's management target of an interest-bearing debt/EBITDA ratio of around seven times. In fiscal 2015, EBITDA grew further, increasing ¥0.9 billion year on year, to ¥150.1 billion, and surpassing ¥150 billion for the first time since management integration in 2006. Meanwhile, interest-bearing debt moved below ¥1 trillion, to ¥955.8 billion, because we allocated proceeds from the sale of investment securities and net cash provided by operating activities to repayment. As a result, the interest-bearing debt/EBITDA ratio decreased to 6.4 times, one of the lowest levels among major private (non-JR) railway operators in Japan.



* Renovation work conducted during three off-seasons.

Note: Project start times are as of works commencement. Also, finish times are project completion dates (completion of A and B blocks for Osaka Station North District (*Umekita*) Phase I Development Area Project).

Consolidated Six-Year Summary

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2015
Result of Operations (millions of yen and thousands of U.S. dollars): *1							
Revenues from operations	¥ 653,287	¥ 638,770	¥ 649,703	¥ 682,439	¥ 679,157	¥ 685,906	$ 5,715,883
Operating income	70,126	64,743	73,809	87,921	91,828	94,026	783,550
EBITDA*2	133,200	127,100	133,500	145,100	149,200	150,100	1,250,833
Ordinary income	50,409	46,494	65,393	74,914	81,191	85,590	713,250
Income before income taxes and minority interests	33,899	32,760	43,419	62,192	83,542	77,620	646,833
Net income	10,793	18,068	39,252	39,702	46,352	54,201	451,675
Comprehensive income	12,541	14,728	44,992	54,081	55,941	71,034	591,950
Capital expenditure	132,386	68,431	55,267	59,512	80,722	68,115	567,625
Depreciation and amortisation	60,418	59,669	56,968	54,540	54,474	53,143	442,858
Cash Flows (millions of yen and thousands of U.S. dollars):							
Cash flows from operating activities	¥ 146,955	¥ 103,252	¥ 124,525	¥ 127,655	¥ 146,991	¥ 131,881	$ 1,099,008
Cash flows from investing activities	(132,737)	(62,516)	(44,295)	(58,923)	(45,517)	(52,529)	(437,742)
Cash flows from financing activities	(24,200)	(39,544)	(78,978)	(69,195)	(105,079)	(81,746)	(681,217)
Increase (decrease) in cash and cash equivalents	(9,680)	474	767	817	(1,840)	(1,125)	(9,375)
Cash and cash equivalents at end of year	21,440	22,592	23,572	25,581	24,497	23,497	195,808
Financial Position (millions of yen and thousands of U.S. dollars):							
Total assets	¥2,337,331	¥2,314,669	¥2,274,380	¥2,281,007	¥2,286,928	¥2,279,638	$18,996,983
Total net assets	480,633	486,947	524,801	573,154	617,598	679,482	5,662,350
Interest-bearing debt	1,282,583	1,251,665	1,183,647	1,126,633	1,032,307	955,828	7,965,233
Per Share Data (yen and U.S. dollars):							
Net income—Basic	¥ 8.55	¥ 14.32	¥ 31.13	¥ 31.48	¥ 36.76	¥ 42.98	$ 0.36
Net income—Diluted	8.51	14.27	31.13	31.47	36.75	42.95	0.36
Net assets	371.70	377.17	407.01	443.63	477.69	525.56	4.38
Dividend	5.00	5.00	5.00	5.00	6.00	6.00	0.05
Ratios:							
Operating income margin (%)	10.7	10.1	11.4	12.9	13.5	13.7	—
ROA (%)*3	2.2	2.0	2.8	3.3	3.6	3.7	—
ROE (%)*4	2.3	3.8	7.9	7.4	8.0	8.6	—
Interest-bearing debt/EBITDA (times)	9.6	9.8	8.9	7.8	6.9	6.4	—
Equity ratio (%)	20.1	20.6	22.6	24.5	26.3	29.1	—
Debt/equity (D/E) ratio (times)*5	2.7	2.6	2.3	2.0	1.7	1.4	—
Interest coverage ratio (times)*6	6.3	4.6	6.0	6.7	8.8	9.2	—
Others:							
Number of outstanding shares (thousands)	1,271,406	1,271,406	1,271,406	1,271,406	1,271,406	1,271,406	—
Number of employees	20,938	21,302	20,811	20,751	20,913	21,037	—

*1. The U.S. dollar amounts have been translated, for convenience only, at ¥120 = $1, the prevailing exchange rate on the Tokyo Foreign Exchange Market as of 31st March 2015.
*2. EBITDA = operating income + depreciation expenses + amortisation of goodwill
EBITDA figures are rounded to the nearest ¥100 million.
*3. ROA = ordinary income/total assets (average of period-start and period-end totals)
*4. ROE = net income/equity (average of period-start and period-end totals)
*5. D/E ratio = interest-bearing debt/equity
*6. Interest coverage ratio = cash flows from operating income / interest expense

Consolidated Financial Review

Analysis of Operating Results for fiscal 2015 (fiscal year ended March 2015)

Revenues from operations increased 1.0%, or ¥6,748 million, year on year, to ¥685,906 million. This reflected a favourable performance by the Entertainment and Communications Business due to the Hanshin Tigers professional baseball team reaching the Japan Series and the popularity of the performances of the Takarazuka Revue, which celebrated its 100th anniversary, and higher revenues from construction and other businesses of the Other segment.

Operating income rose 2.4%, or ¥2,198 million, year on year, to ¥94,026 million, thanks to the abovementioned increase in revenues from operations and the curbing of expenses in each business segment.

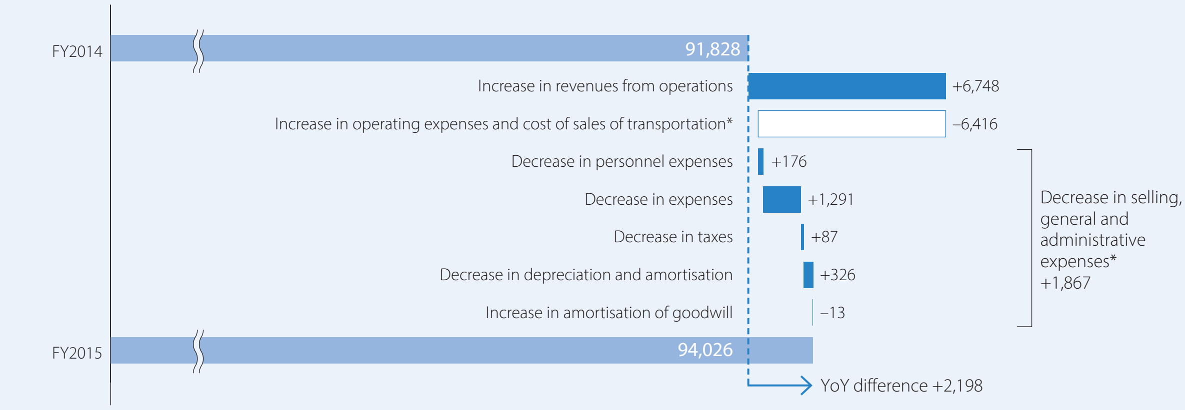
Further, ordinary income was up 5.4%, or ¥4,398 million, year on year, to ¥85,590 million, because of higher equity in income of affiliates and a decrease in interest expenses accompanying lower interest-bearing debt.

Net income grew 16.9%, or ¥7,849 million, year on year, to ¥54,201 million, thanks to a reversal of deferred tax assets and liabilities that resulted from revision of the tax system (a reduction in total income taxes). This positive factor counteracted lower gain on sale of property and equipment—due to sale of part of the equity held in Hankyu Nishinomiya Gardens in the previous fiscal year—and a deterioration in total extraordinary income net of total extraordinary loss, which arose from the recognition of loss on impairment of fixed assets that was incurred as a result of the relocation and reconstruction of Takarazuka Hotel.

Note: Summary of consolidated business results: please also see To Our Stakeholders on pages 18 to 20.

Analysis of operating income

(¥ million)



* Retirement benefit expenses are included in cost of revenues from operations, with the change being −321.

Segment Information

The following table shows business performance for each core segment. For a review of these results, please refer to the page indicated at the foot of the table.

(¥ million)

	Urban Transportation	Real Estate	Entertainment and Communications	Travel	International Transportation	Hotels	Other	Adjustments	Consolidated
Revenues from operations									
FY2015	233,419	206,444	112,632	31,965	39,419	63,031	41,678	−42,684	685,906
FY2014	234,555	208,610	110,350	33,006	37,696	63,695	34,713	−43,469	679,157
YoY difference	−1,135	−2,166	+2,282	−1,041	+1,723	−663	+6,965	+785	+6,748
Operating income									
FY2015	38,553	37,173	14,993	1,227	3,053	1,216	1,032	−3,223	94,026
FY2014	38,494	38,008	14,172	1,224	2,051	809	849	−3,781	91,828
YoY difference	+59	−835	+821	+3	+1,002	+406	+183	+558	+2,198
Reference page	P.41	P.45	P.49	P.51	P.53	P.55	—	—	—

Review of Financial Position

1. Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal year under review stood at ¥2,279,638 million, a decrease of ¥7,290 million from the previous fiscal year-end. This mainly stemmed from the decrease in land and buildings.

Total liabilities decreased ¥69,174 million from the previous fiscal year-end, to ¥1,600,155 million, due partly to the reduction in interest-bearing debt.

Net assets increased ¥61,883 million from the previous fiscal year-end, to ¥679,482 million, due mainly to an increase in retained earnings.

As a result, the equity ratio stood at 29.1%, and ROE was 8.6%.

2. Cash Flows

Cash and cash equivalents decreased ¥1,000 million from the previous fiscal year-end, to ¥23,497 million.

(1) Cash Flows from Operating Activities

Net cash provided by operating activities was ¥131,881 million (down 10.3% year on year). The main factors were income before income taxes and minority interests of ¥77,620 million, depreciation and amortisation of ¥53,143 million, and income taxes paid of ¥10,836 million.

(2) Cash Flows from Investing Activities

Net cash used in investing activities was ¥52,529 million (up 15.4% year on year). This primarily reflected purchases of noncurrent assets of ¥86,970 million, which counteracted receipt of contributions for construction of ¥21,098 million and proceeds from sale of investment securities of ¥19,747 million.

(3) Cash Flows from Financing Activities

Net cash used in financing activities was ¥81,746 million (down 22.2% year on year). This was due partly to a net decrease in borrowings of ¥6,077 million and dividends paid of ¥8,229 million.

Trends in cash flow indicators

	FY2011	FY2012	FY2013	FY2014	**FY2015**
Equity ratio (%)	20.6	22.6	24.5	26.3	**29.1**
Equity ratio (%) (market value basis)	20.9	20.0	31.5	31.0	**41.1**
Cash flows/interest-bearing debt ratio (times)	12.1	9.5	8.8	7.0	**7.2**
Interest coverage ratio (times)	4.6	6.0	6.7	8.8	**9.2**

Notes: Equity ratio = equity/total assets
Equity ratio (market value basis) = market capitalisation/total assets
Cash flows/interest-bearing debt ratio = interest-bearing debt/operating cash flows
Interest coverage ratio = Net cash provided by operating activities/interest expense
* Each index has been calculated in accordance with financial indicators on a consolidated basis.
* Market capitalisation has been calculated as follows: year-end closing stock price × total shares issued at year-end (after deduction of treasury stock).

3. Fund Procurement

The outstanding balance of consolidated interest-bearing debt at the end of the fiscal year under review amounted to ¥955,828 million, a decrease of ¥76,479 million from the previous fiscal year-end. This was because net cash provided by operating activities more than compensated for acquisition of land for the Ebie 1-Chome development plan and capital expenditure for the building of new rolling stock.

The ratio of consolidated interest-bearing debt/EBITDA (operating income before amortisation), which is the benchmark the Company uses for assessing the soundness of its financial position, stood at 6.4 times (compared with 6.9 times in the previous fiscal year).

Consolidated Capital Expenditure and Depreciation and Amortisation

Capital expenditure in the fiscal year under review (consolidated basis; including intangible assets) decreased ¥12,607 million (15.6%) year on year, to ¥68,115 million.

The following is a breakdown for each business segment.

	FY2015	YoY
Urban Transportation	32,072 millions of yen	16.5%
Real Estate	25,828	–40.6
Entertainment and Communications	6,092	9.5
Travel	660	–44.0
International Transportation	476	–17.6
Hotels	1,497	–17.6
Other	960	88.2
Total	67,587	–16.2
Adjustments	527	411.7
Consolidated	68,115	–15.6

Urban Transportation

The railway business carried out capital investment with a focus on safety and service improvement, built new rolling stock, and improved existing rolling stock.

Real Estate

The Real Estate Business acquired land for the Ebie 1-Chome development plan and implemented the Umeda 1-1 Project.

Entertainment and Communications

The Entertainment and Communications Business relocated the Sumire Dormitory to a newly constructed building.

Travel

In the Travel Business, Hankyu Travel International Co., Ltd. invested in systems to strengthen Internet sales.

International Transportation

In the International Transportation Business, Hankyu Hanshin Express Co., Ltd. invested in systems to establish global IT-enabled alliances.

Hotels

In the Hotels Business, Hankyu Hanshin Hotels Co., Ltd. refurbished the guest rooms of its hotels.

Depreciation and amortisation decreased ¥1,331 million (2.4%) from the previous year (consolidated basis), to ¥53,143 million.