Performance Highlights (Consolidated)

Key Financial Indicators

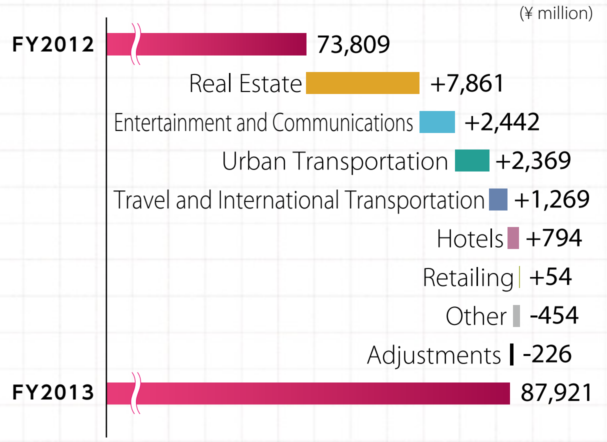
FY	2008 (¥ million)	2009	2010	2011	2012	2013	2013 ($ thousand) ❶
Result of Operations:							
Revenues from operations	¥752,300	¥683,715	¥653,287	¥638,770	¥649,703	¥682,439	$7,259,989
Operating income	90,724	77,823	70,126	64,743	73,809	87,921	935,330
EBITDA ❷	145,200	135,300	133,200	127,100	133,500	145,100	1,543,617
Income before income taxes and minority interests	26,098	34,064	33,899	32,760	43,419	62,192	661,617
Net income	627	20,550	10,793	18,068	39,252	39,702	422,362
Comprehensive income	—	—	12,541	14,728	44,992	54,081	575,330
Capital expenditure	134,307	109,688	132,386	68,431	55,267	59,512	633,106
Depreciation and amortisation	51,577	54,798	60,418	59,669	56,968	54,540	580,213
Cash Flows:							
Cash flows from operating activities	¥ 74,902	¥108,597	¥146,955	¥103,252	¥124,525	¥127,655	$1,358,032
Cash flows from investing activities	(100,058)	(115,047)	(132,737)	(62,516)	(44,295)	(58,923)	(626,840)
Free cash flow ❸	(25,155)	(6,449)	14,217	40,735	80,230	68,732	731,191
Cash flows from financing activities	36,718	7,014	(24,200)	(39,544)	(78,978)	(69,195)	(736,117)
Financial Position:							
Total assets	¥2,348,476	¥2,307,332	¥2,337,331	¥2,314,669	¥2,274,380	¥2,281,007	$24,266,032
Total net assets	476,639	473,878	480,633	486,947	524,801	573,154	6,097,383
Interest-bearing debt	1,271,100	1,275,620	1,282,583	1,251,665	1,183,647	1,126,633	11,985,457
Per Share Data (yen and U.S. dollars):							
Net income – Basic	¥ 0.50	¥ 16.28	¥ 8.55	¥ 14.32	¥ 31.13	¥ 31.48	$0.33
Net income – Diluted	0.41	16.18	8.51	14.27	31.13	31.47	0.33
Net assets	369.25	366.96	371.70	377.17	407.01	443.63	4.72
Dividend	5.00	5.00	5.00	5.00	5.00	5.00	0.05
Ratios:							
Operating income margin (%)	12.1	11.4	10.7	10.1	11.4	12.9	—
ROA (%) ❹	3.2	2.5	2.2	2.0	2.8	3.3	—
ROE (%) ❺	0.1	4.4	2.3	3.8	7.9	7.4	—
Interest-bearing debt/EBITDA (times)	8.8	9.4	9.6	9.8	8.9	7.8	—
Equity ratio (%)	19.9	20.1	20.1	20.6	22.6	24.5	—
Debt/equity (D/E) ratio (times) ❻	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)	¥ 431	¥ 447	¥ 433	¥ 384	¥ 361	¥ 569	$ 6.05
Market capitalisation (¥ billion, $ million)	548.0	568.3	550.5	488.2	459.0	723.4	76,957
PER (times)	862.0	27.5	50.6	26.8	11.6	18.1	—
PBR (times)	1.2	1.2	1.2	1.0	0.9	1.3	—
Business Data:							
Hankyu Railway (thousand) ❽	618,373	618,585	605,963	603,233	608,632	615,324	—
Hanshin Electric Railway (thousand) ❽	180,906	182,997	193,620	205,202	218,560	221,133	—
Average vacancy rates of rental office buildings (Umeda area, Osaka; %) ❼	3.08	5.88	8.90	11.22	7.29	11.50	—

Notes:
❶ The U.S. dollar amounts have been translated, for convenience only, at ¥94 = $1, the prevailing exchange rate on the Tokyo Foreign Exchange Market at 31st March 2013.
❷ EBITDA = operating income + depreciation expenses + amortisation of goodwill attendant on the management integration of Hankyu and Hanshin. EBITDA figures are rounded to the nearest ¥100 million.
❸ Free cash flow = cash flows from operating activities + cash flows from investing activities
❹ ROA = ordinary income/total assets (average of period-start and period-end totals)
❺ ROE = net income/equity (average of period-start and period-end totals)
❻ D/E ratio = interest-bearing debt/equity
❼ Average vacancy rate figures are overall rates for the Umeda downtown 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 3,300m^2. Based on *Latest trends in the office-building market in Osaka*, Miki Shoji.
❽ Annual number of passengers carried

Revenues from operations: ¥682.4 billion
(up ¥32.7 billion or 5.0% from the previous fiscal year)
Operating income: ¥87.9 billion
(up ¥14.1 billion or 19.1% from the previous fiscal year)

Revenues from operations increased by 5.0%, or ¥32,735 million, to ¥682,439 million, due to a year-on-year increase in condominium unit sales in the Real Estate Business and the subsiding impact of the Great East Japan Earthquake primarily on the Travel and Hotels businesses. In line with this growth, operating income increased 19.1%, or ¥14,111 million, to ¥87,921 million.

■ Operating income: Factor analysis (YoY change)



Net income: ¥39.7 billion (up ¥0.5 billion or 1.1% from the previous fiscal year)

Net non-operating expenses deteriorated 35.3%, or ¥4,590 million, year on year to ¥13,006 million mainly due to a decline in non-operating income accompanying a rise in equity in income of affiliates from an increase in our stake in the equity affiliate H_2O Retailing Corporation in the previous fiscal year.

Net extraordinary loss improved 72.7%, or ¥9,251 million, year on year to ¥12,721 million partly due to recognition of impairment losses on land used for major development projects during the previous fiscal year. This result occurred despite posting a provision for loss on removal of property and equipment related to the rebuilding of Dai Hanshin Building and Shin Hankyu Building.

At the same time, income tax payments surged 559.6%, or ¥18,015 million, year on year to ¥21,234 million due to an increase in income taxes-deferred accompanying the cessation of reforms to the tax system in Japan that had brought down corporate tax rates until the previous fiscal year.

The above factors and the increase in operating income pushed net income up by ¥450 million year on year to ¥39,702 million.

■ Net income: Factor analysis (YoY change)

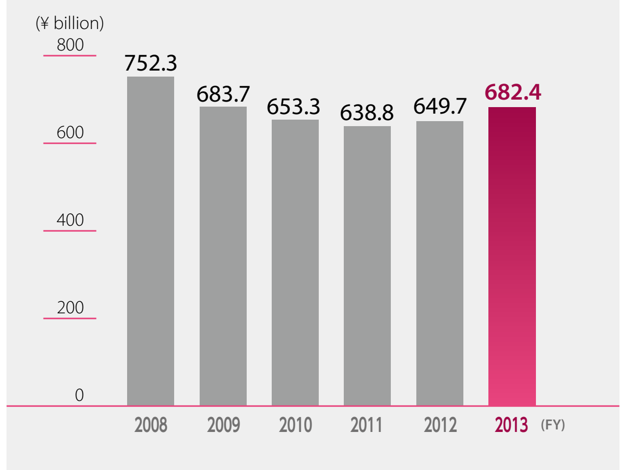
Increase in revenues from operations	+¥32.7 billion
Decrease in extraordinary loss (chiefly decrease in loss on impairment of fixed assets)	+¥14.1 billion
Decrease in non-operating expenses (primarily a decrease in interest expenses)	+¥2.3 billion
Increase in operating expenses and cost of sales of transportation	-¥17.5 billion
Increase in selling, general and administrative expenses	-¥1.1 billion
Decrease in non-operating income (primarily decrease in equity in income of affiliates)	-¥6.9 billion
Decrease in extraordinary income (primarily due to a decrease in gain on contributions for construction)	-¥4.9 billion
Increase in income taxes (including income taxes-deferred)	-¥18.0 billion
Increase in minority interests in income	-¥0.3 billion

Interest-bearing debt: ¥1,126.6 billion (down 4.8% or ¥57.0 billion from the previous fiscal year)

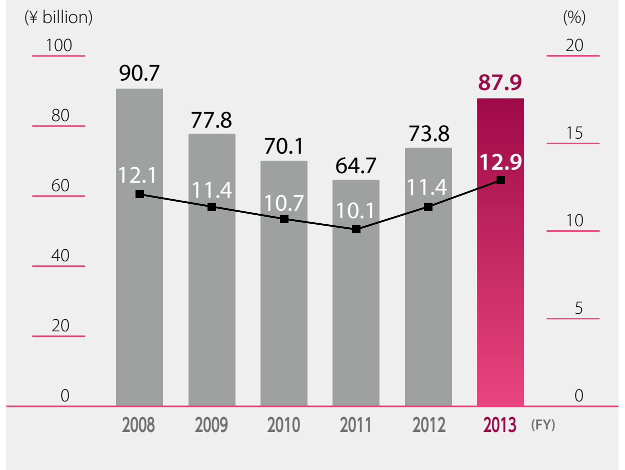
The balance of interest-bearing debt decreased by 4.8%, or ¥57,014 million, year on year to ¥1,126,633 million due to net cash from operating activities surpassing capital investment outlays for rebuilding of Umeda Hankyu Building and other works.

Key Financial Indicators (Graphs)

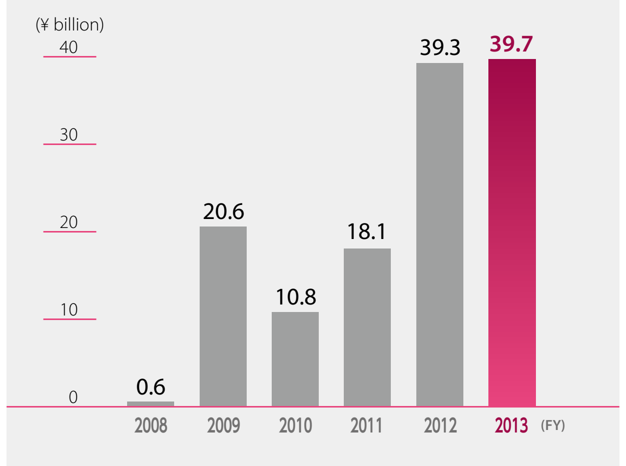
Revenues from Operations



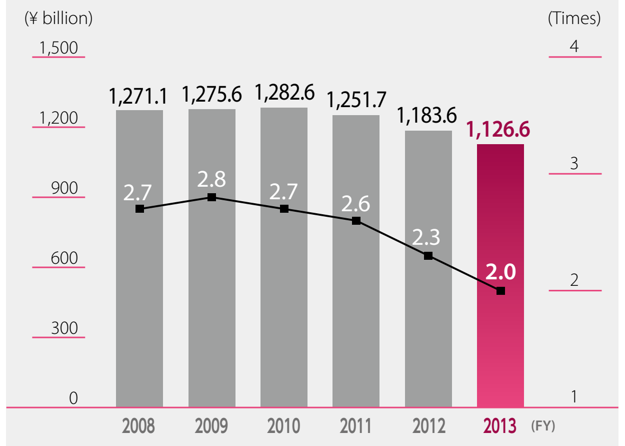
Operating Income/Operating Income Margin



Net Income

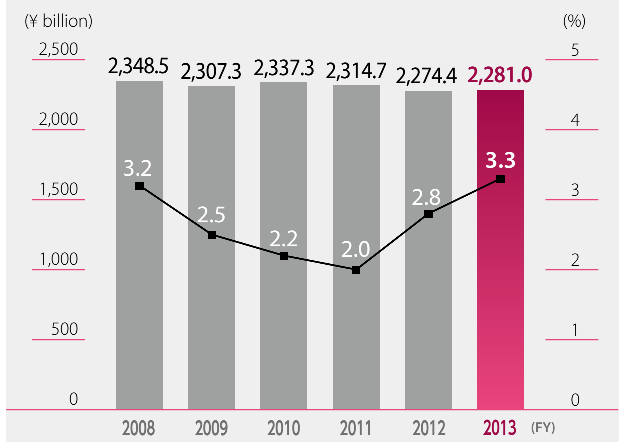


Interest-Bearing Debt and D/E Ratio



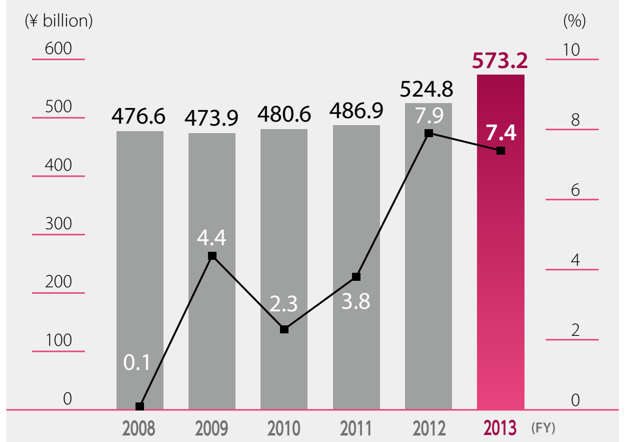
* D/E ratio = interest-bearing debt/equity

Total Assets/ROA



* ROA = ordinary income/total assets (average of period-start and period-end totals)

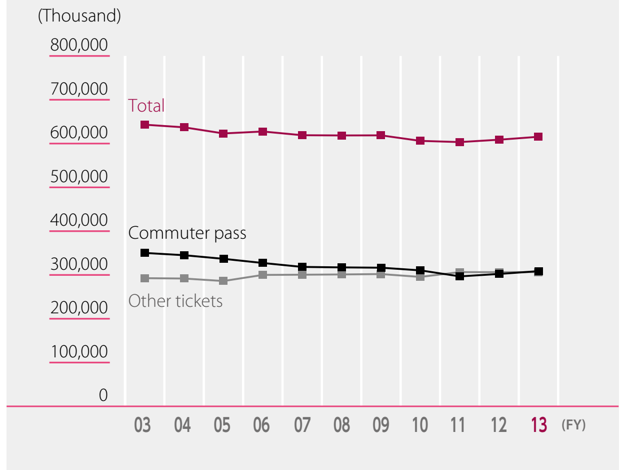
Equity/ROE



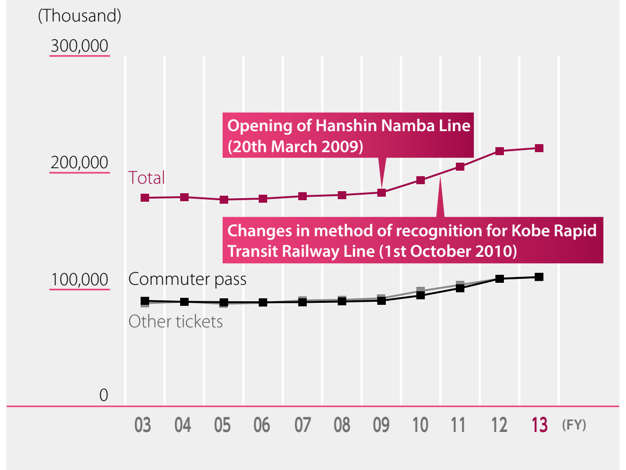
* ROE = net income/equity (average of period-start and period-end totals)

Operating and Business Environmental Data

Annual Number of Passengers Carried/Hankyu Railway



Annual Number of Passengers Carried/Hanshin Electric Railway

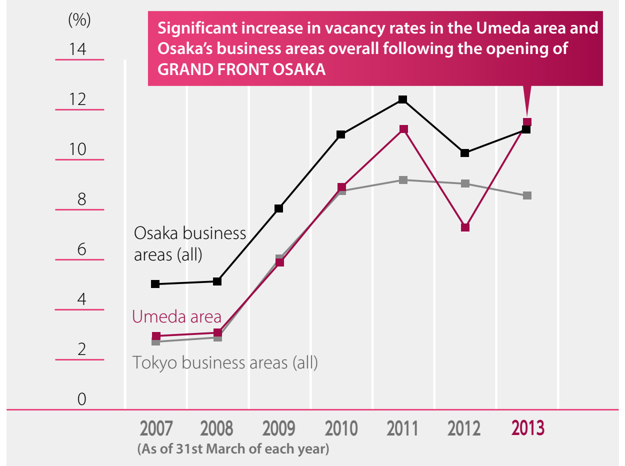


* Sum of tier 1 and tier 2 operators for both Hankyu and Hanshin

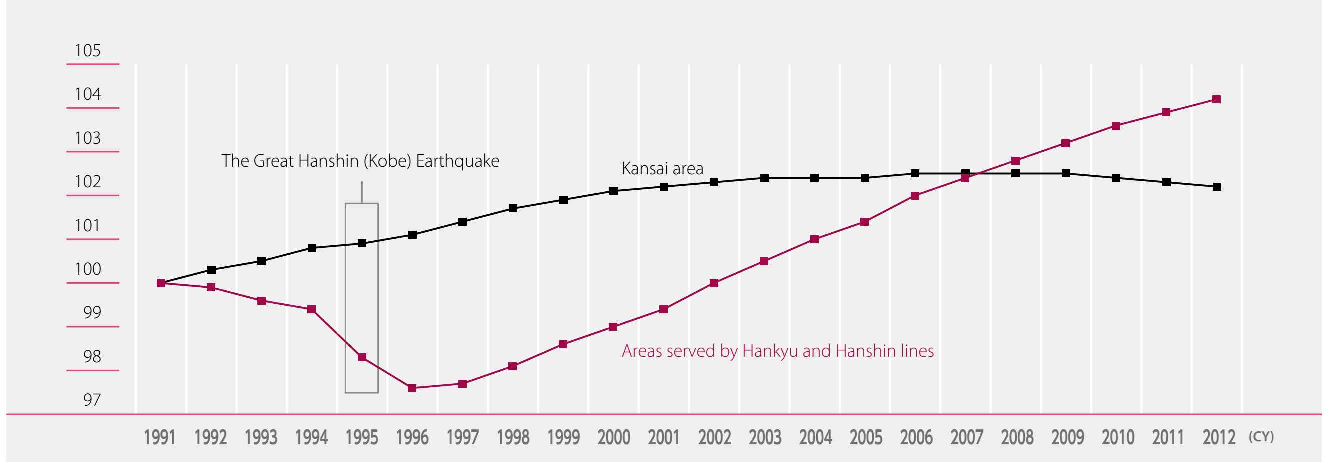
* Among tier 2 operators, we have modified our method of recognising Kobe Rapid Transit Railway Line's passenger volumes following changes to its management organisation, effective October 2010 (for both Hankyu and Hanshin-operated stretches of the line)

Average Vacancy Rates of Rental Office Buildings (Tokyo/Osaka Business Area)

Source: Miki Shoji, *Latest trends in the office-building market*



Population Trends in Areas Served by Hankyu and Hanshin Lines (1991=100)



Source: Compiled by the Group based on data from Toyo Keizai, Inc.'s *Local Economy Directory* and the Ministry of Internal Affairs and Communications *Basic Resident Register*

* **Areas served by Hankyu and Hanshin lines:**

Below are lists of areas with Hankyu Corporation and Hanshin Electric Railway stations (including tier 2 operators).

Osaka Prefecture: Osaka City (Fukushima, Konohana, Nishi, Naniwa, Nishi-Yodogawa, Higashi-Yodogawa, Yodogawa, Kita and Chuo, out of a total of 24 wards); and Toyonaka, Ikeda, Suita, Takatsuki, Ibaraki, Minoh, Settsu cities and Shimamoto town

Hyogo Prefecture: Kobe City (Higashi-Nada, Nada, Hyogo, Nagata and Chuo, out of a total of 9 wards); and Amagasaki, Nishinomiya, Ashiya, Itami, Takarazuka and Kawanishi cities

Kyoto Prefecture: Kyoto City (Nakagyo, Shimogyo, Ukyo, Nishikyo, out of a total of 11 wards); and Muko and Nagaokakyo cities and Oyamazaki town

Fiscal 2013 Performance

The steady performance of each Group business has led to a substantial increase in operating income, while ordinary income and net income reached record highs. In addition, we are steadily building a base to reach the next growth stage underpinned by the progress being made towards improving our financial standing, which has been one of our outstanding issues.

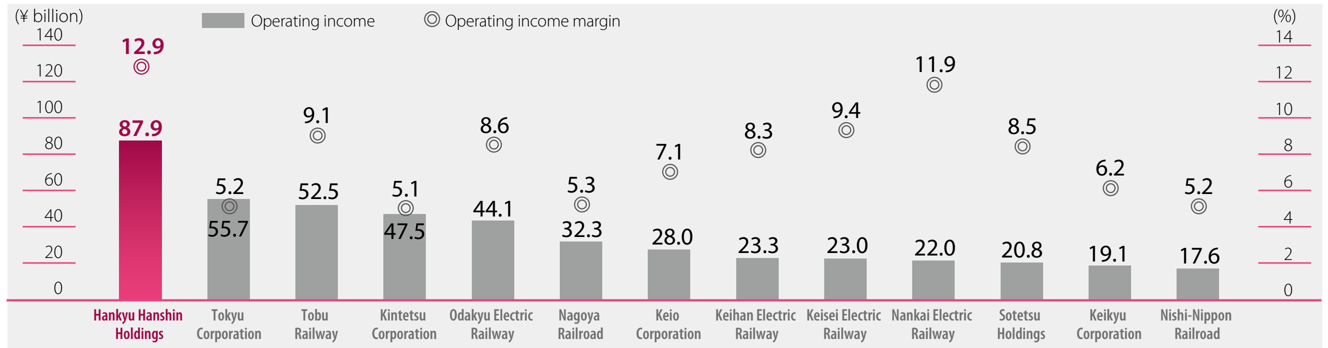
In fiscal 2013, conditions were uncertain mainly due to power supply problems following the Great East Japan Earthquake and concerns over a global economic recession amid prolonged European debt issues. Nevertheless, signs of an economic recovery were seen in some sectors primarily on the back of an ongoing weakening of yen rates until the end of the fiscal year and higher stock prices. Under these circumstances, the Real Estate Business recorded a significant year-on-year jump in condominium unit sales and a steady rise in occupancy rates for the Umeda Hankyu Building Office Tower. In the railway business, the Hankyu and Hanshin rail lines both performed steadily*[1] thanks to the grand opening of the Umeda Flagship Store of the Hankyu Department Store. In addition, we saw a recovery primarily in the Travel and Hotels businesses from the negative impact of the Great East Japan Earthquake during the previous fiscal year. Strong sales in the Travel Business were recorded for overseas travel mainly to Europe. In the Entertainment and Communications business, the stage business experienced a year-on-year increase in ticket sales. As a result of the overall firm performance of each business, revenues from operations increased 5%, or ¥32.7 billion, year on year to ¥682.4 billion, operating income rose 19.1%, or ¥14.1 billion, to ¥87.9 billion, ordinary income grew 14.6%, or ¥9.5 billion, to ¥74.9 billion, and net income improved 1.1%, or ¥0.45 billion, to ¥39.7 billion. Among these increases, ordinary income and net income reached record highs, while operating income and operating income margin (12.9%) were at the highest levels of any major listed private railway operator group.*[2]

An extraordinary loss of ¥12.7 billion was recorded in the fiscal 2013 account settlement. Nevertheless, this amount provides for future losses due mainly to the posting of estimated demobilization costs on fixed assets (provision for loss on removal of property and equipment: approximately ¥4.4 billion) generated by the Umeda 1-1 Project (Dai Hanshin Building and Shin Hankyu Building rebuilding projects) as well as the recording of a loss from the transfer of the Hotel New Hankyu Kochi (restructuring costs: approximately ¥2.2 billion), the final stage of our restructuring of the Hotels Business.

Turning to the improvement our financial standing, the investment in growth undertaken during the current Medium-Term Management Plan has paid off, with EBITDA steadily increasing ¥11.6 billion year on year to ¥145.1 billion, and interest-bearing debt shrinking significantly from ¥1,183.6 billion in fiscal 2012 to ¥1,126.6 billion in fiscal 2013 mainly due to a detailed review of capital investment. As a result, the interest-bearing debt/EBITDA ratio, the Group's most important performance indicator, improved greatly from 8.9 times in fiscal 2012 to 7.8 times in fiscal 2013, enabling the Group to steadily build a base to reach the next growth stage.

*1 Railway operation revenue Hankyu +1.1% Hanshin +1.2%
*2 Private railway operators excluding the Japan Railway Group

■ Major Private Railway Groups Operating Income and Operating Income Margin (Fiscal 2013)



Source: Account settlements of each company

Consolidated Six-Year Summary

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2013
Result of Operations (millions of yen and thousands of U.S. dollars): *1							
Revenues from operations	¥752,300	¥683,715	¥653,287	¥638,770	¥649,703	**¥682,439**	**$7,259,989**
Operating income	90,724	77,823	70,126	64,743	73,809	**87,921**	**935,330**
EBITDA*2	145,200	135,300	133,200	127,100	133,500	**145,100**	**1,543,617**
Income before income taxes and minority interests	26,098	34,064	33,899	32,760	43,419	**62,192**	**661,617**
Net income	627	20,550	10,793	18,068	39,252	**39,702**	**422,362**
Comprehensive income	—	—	12,541	14,728	44,992	**54,081**	**575,330**
Capital expenditure	134,307	109,688	132,386	68,431	55,267	**59,512**	**633,106**
Depreciation and amortisation	51,577	54,798	60,418	59,669	56,968	**54,540**	**580,213**
Cash Flows (millions of yen and thousands of U.S. dollars):							
Cash flows from operating activities	¥ 74,902	¥108,597	¥146,955	¥103,252	¥124,525	**¥127,655**	**$1,358,032**
Cash flows from investing activities	(100,058)	(115,047)	(132,737)	(62,516)	(44,295)	**(58,923)**	**(626,840)**
Cash flows from financing activities	36,718	7,014	(24,200)	(39,544)	(78,978)	**(69,195)**	**(736,117)**
Increase (decrease) in cash and cash equivalents	11,403	(2,174)	(9,680)	474	767	**817**	**8,691**
Cash and cash equivalents at end of year	31,166	30,690	21,440	22,592	23,572	**25,581**	**272,138**
Financial Position (millions of yen and thousands of U.S. dollars):							
Total assets	¥2,348,476	¥2,307,332	¥2,337,331	¥2,314,669	¥2,274,380	**¥2,281,007**	**$24,266,032**
Total net assets	476,639	473,878	480,633	486,947	524,801	**573,154**	**6,097,383**
Interest-bearing debt	1,271,100	1,275,620	1,282,583	1,251,665	1,183,647	**1,126,633**	**11,985,457**
Per Share Data (yen and U.S. dollars):							
Net income—Basic	¥ 0.50	¥ 16.28	¥ 8.55	¥ 14.32	¥ 31.13	**¥ 31.48**	**$0.33**
Net income—Diluted	0.41	16.18	8.51	14.27	31.13	**31.47**	**0.33**
Net assets	369.25	366.96	371.70	377.17	407.01	**443.63**	**4.72**
Dividend	5.00	5.00	5.00	5.00	5.00	**5.00**	**0.05**
Ratios:							
Operating income margin (%)	12.1	11.4	10.7	10.1	11.4	**12.9**	—
ROA (%)*3	3.2	2.5	2.2	2.0	2.8	**3.3**	—
ROE (%)*4	0.1	4.4	2.3	3.8	7.9	**7.4**	—
Interest-bearing debt/EBITDA (times)	8.8	9.4	9.6	9.8	8.9	**7.8**	—
Equity ratio (%)	19.9	20.1	20.1	20.6	22.6	**24.5**	—
Debt/equity (D/E) ratio (times)*5	2.7	2.8	2.7	2.6	2.3	**2.0**	—
Interest coverage ratio (times)*6	4.0	3.4	3.0	3.0	3.7	**4.8**	—
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	19,892	20,805	20,938	21,302	20,811	**20,751**	—

*1 The U.S. dollar amounts have been translated, for convenience only, at ¥94 = $1, the prevailing exchange rate on the Tokyo Foreign Exchange Market as of 31st March 2013.
*2 EBITDA = operating income + depreciation expenses + amortisation of goodwill attendant on the management integration of Hankyu and Hanshin
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 = (operating income + interest and dividend income)/interest expense

Consolidated Financial Review

Analysis of Operating Results for fiscal 2013 (fiscal year ended March 2013)

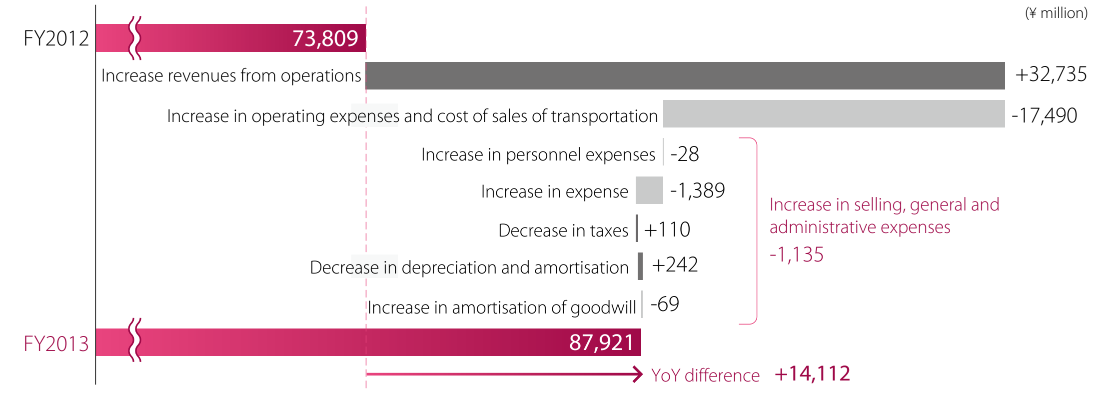
Revenues from operations for the year under review increased by ¥32,735 million (5.0%) year on year to ¥682,439 million. This was mainly due to a year-on-year increase in condominium sales in the Real Estate Business as well as a recovery centered on the Travel and Hotels businesses from the impact of the Great East Japan Earthquake during the previous fiscal year. In addition, the Travel Business benefited from robust performance in overseas travel. In the Entertainment and Communications Business, revenues in the stage revue business were firm, and Himeji Cable Television Co., Ltd. along with other companies were added to the scope consolidation.

Operating income posted a year-on-year increase of ¥14,111 million (19.1%) to ¥87,921 million thanks to the aforementioned rise in revenues as well as successful cost-cutting initiatives by all of the Group's core businesses.

Ordinary income grew ¥9,520 million (14.6%) year on year to ¥74,914 million mainly due to a decrease in interest expenses in line with lower interest-bearing debt (consolidated basis). This result occurred despite a decline in non-operating income caused by the absence of a rise in equity in income of affiliates, which was recorded in the previous fiscal year following an increase in the Company's equity stake in H_2O Retailing Corporation (an affiliated company under the equity method).

Net income increased by ¥450 million (1.1%) year on year to ¥39,702 million primarily due to an improvement in net extraordinary loss. This result occurred despite a year-on-year rise in income taxes, which had been deferred in the previous fiscal year as a result of a revision of the taxation system, including a reduction in the corporate income tax rate.

Analysis of Operating Income



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 and International Transportation	Hotels	Retailing	Other	Adjustments	Consolidated
Revenues from operations									
FY2013	**193,631**	**196,711**	**108,608**	**70,840**	**64,697**	**53,253**	**36,045**	**-41,348**	**682,439**
FY2012	192,718	176,114	102,313	67,571	64,090	53,853	31,334	-38,293	649,703
Difference	+913	+20,597	+6,294	+3,269	+607	-600	+4,710	-3,055	+32,735
YoY (%)	0.5%	11.7%	6.2%	4.8%	0.9%	-1.1%	15.0%	-8.0%	5.0%
Operating income/loss									
FY2013	**34,711**	**36,994**	**12,584**	**4,441**	**525**	**1,387**	**307**	**-3,031**	**87,921**
FY2012	32,342	29,133	10,141	3,171	-269	1,333	761	-2,804	73,809
Difference	+2,369	+7,861	+2,442	+1,269	+794	+54	-454	-226	+14,111
YoY (%)	7.3%	27.0%	24.1%	40.0%	—	4.1%	-59.7%	-8.1%	19.1%

*Regarding other businesses, in spite of higher construction revenues, earnings fell mainly due to an upswing in advertising expenses in the card business.

Review of Financial Position

1. Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year under review increased by ¥6,627 million from the previous term-end to ¥2,281,007 million. This was mainly the result of an increase in the market value of investment securities accompanying an upswing in stock prices extending until the end of the fiscal year under review.

Total liabilities decreased by ¥41,725 million from the previous term-end to ¥1,707,853 million, due partly to a reduction in interest-bearing debt.

Net assets increased ¥48,352 million from the previous term-end to ¥573,154 million on an increase in retained earnings.

Equity came to ¥559,399 million, an increase of ¥46,106 million over the previous fiscal year-end. This was the result of an increase in retained earnings mainly due to the posting of net income as well as a rise in valuation difference on available-for-sale securities that primarily reflected higher stock prices.

As a result, the equity ratio stood at 24.5%, and ROE was 7.4%.

2. Cash Flows

Cash and cash equivalents increased by ¥2,008 million from the previous term-end to ¥25,581 million.

Net cash provided by operating activities amounted to ¥127,655 million, net cash used in investing activities totaled ¥58,923 million, and net cash used in financing activities was ¥69,195 million.

The following is an analysis of year-on-year changes in each cash flow category.

(1) Cash Flows from Operating Activities

Net cash provided by operating activities increased by ¥3,129 million from the previous fiscal year. This was largely due to an increase in operating income that offset a decrease in inventories.

(2) Cash Flows from Investing Activities

Net cash used in investing activities increased by ¥14,627 million. This was chiefly due to a rise in expenditures for the purchases of property and equipment.

(3) Cash Flows from Financing Activities

Net cash used in financing activities decreased by ¥9,783 million. This was due partly to a decline in short-term borrowings.

Trends in Cash Flow Indicators

	FY2009	FY2010	FY2011	FY2012	FY2013
Equity ratio (%)	20.1	20.1	20.6	22.6	**24.5**
Equity ratio (%) (market value basis)	24.4	23.4	20.9	20.0	**31.5**
Cash flows/interest-bearing debt ratio (times)	11.7	8.7	12.1	9.5	**8.8**
Interest coverage ratio (times)	3.4	3.0	3.0	3.7	**4.8**

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 = (operating income + interest and dividend income)/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 X total shares issued at year-end (after deduction of treasury stock).

3. Fund Procurement

During the fiscal year under review the outstanding balance of interest-bearing debt (consolidated basis) declined by ¥57,014 million to ¥1,126,633 million at the end of the fiscal period. This reflected the fact that total net cash provided by operating activities outweighed capital expenditure outlays, including for the rebuilding of the Umeda Hankyu Building. The ratio of consolidated interest-bearing debt divided by EBITDA (operating income before amortisation), the benchmark we use for assessing the soundness of our financial position, stood at 7.8 times (8.9 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) increased by ¥4,245 million (7.7%) year on year to ¥59,512 million.

The following is a breakdown for each business segment.

	FY2013 (Millions of yen)	YoY (%)
Urban Transportation	25,441	25.1
Real Estate	25,235	-7.8
Entertainment and Communications	4,265	-3.8
Travel and International Transportation	1,663	67.1
Hotels	1,931	48.0
Retailing	702	-3.0
Other	401	23.7
Total	59,642	7.5
Adjustments	-129	—
Consolidated	59,512	7.7

Urban Transportation

With a focus on safety and service improvement, the railway business invested in elevated tracks (to allow lines to cross over roads without the need for level crossings) and general facility improvements as well as in rebuilding and improving existing rolling stock. In bus and taxi businesses, vehicles were upgraded.

Real Estate

In the real estate leasing business, Hankyu Corporation completed the rebuilding works at Umeda Hankyu Building and the construction of the Shin-Osaka Hankyu Building, as well as renovation and repair work on rental buildings operated by Hankyu Corporation, Hanshin Electric Railway Co., Ltd., and Hankyu Realty Co., Ltd.

Entertainment and Communications

In the communication and media business, Itec Hankyu Hanshin Co., Ltd. undertook construction to install public wireless LAN, while investments targeted acquisition of cable TV terminal equipment (Bay Communications Inc.). In addition, in the stage revue business, Hankyu Corporation financed improvement and renewal of the Takarazuka Grand Theatre.

Travel and International Transportation

In the Travel and International Transportation Business, Hankyu Travel International Co., Ltd. upgraded core systems in the travel business.

Hotels

In the Hotels Business, Hankyu Hanshin Hotels Co., Ltd. newly constructed the REMM Shin-Osaka hotel and carried out interior refurbishing work on other hotels.

Retailing

In the Retailing Business, Hankyu Retails Corporation constructed new directly operated outlets, including the *asnas* convenience store in Hankyu Sanban Gai shopping centre.

Depreciation and amortisation decreased by ¥2,428 million (4.3%) from the previous year (consolidated basis) to ¥54,540 million.