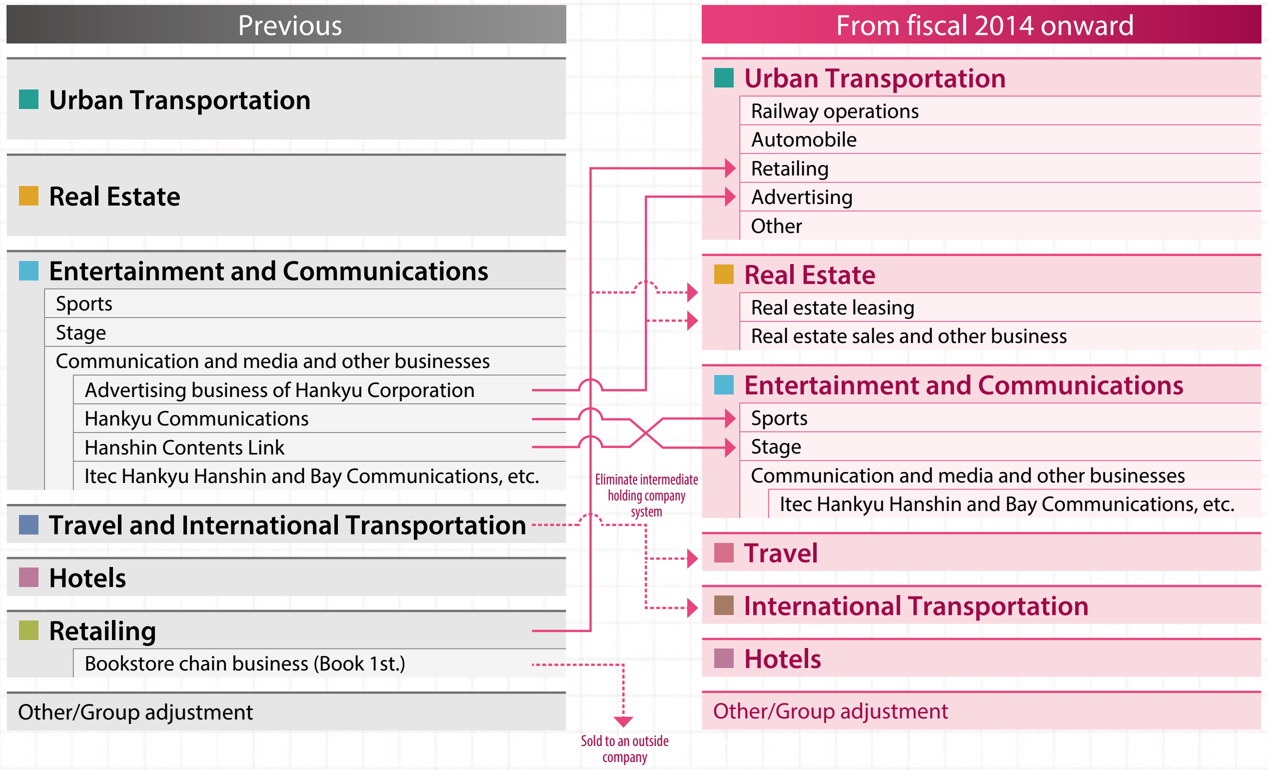
Forecasts for Fiscal 2014 Onward

(Numerical Targets for Each Core Business in the New Segment Classification)

In order to facilitate further growth in each core business while improving enterprise value Groupwide, certain core businesses shown below were restructured in April 2013. The numerical targets for each core business on the following pages list figures based on the previous core business segments used until fiscal 2013 and the new core business segments for fiscal 2014 and fiscal 2016.

Core Business Restructuring (From 1st April 2013)



Operating Income by Core Business (comparison of previous and new segments)

Prior to Core Business Restructuring (Previous Segments)

(¥ billion)

	FY2013 Results	FY2014 Est.	Compared with FY2013	FY2016 Plan	Compared with FY2014
Urban Transportation	34.7	32.6	-2.1	31.7	-0.9
Real Estate	37.0	36.0	-1.0	34.9	-1.1
Entertainment and Communications	12.6	11.2	-1.4	12.7	+1.5
Travel and International Transportation	4.4	4.5	+0.1	5.1	+0.6
Hotels	0.5	0.9	+0.4	1.4	+0.5
Retailing	1.4	1.2	-0.2	1.2	0
Total of six core businesses	90.6	86.4	-4.2	87.1	+0.7
Total operating income	**87.9**	**84.0**	**-3.9**	**85.0**	**+1.0**

After Core Business Restructuring (New Segments)

(¥ billion)

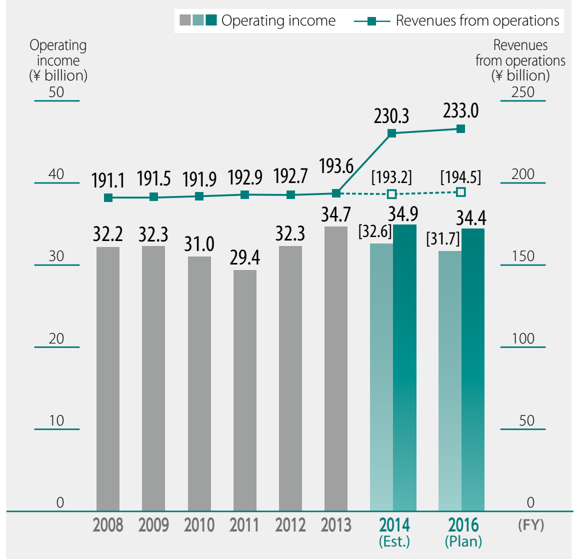
	FY2014 Est.	Compared with previous segments	FY2016 Plan	Compared with FY2014
Urban Transportation	34.9	+2.3*	34.4	-0.5
Real Estate	36.3	+0.3	35.2	-1.1
Entertainment and Communications	9.9	-1.3	10.9	+1.0
Travel	2.5	—	2.6	+0.1
International Transportation	2.0	—	2.5	+0.5
Hotels	0.9	—	1.4	+0.5
Total of six core businesses	86.4	—	87.1	+0.7
Total operating income	**84.0**	**—**	**85.0**	**+1.0**

* The ¥2.3 billion increase recorded by Urban Transportation includes the transfer of the Retailing Business and advertising operations.

Urban Transportation

In fiscal 2014, we forecast revenues from operations to increase 18.9%, or ¥36.7 billion, year on year to ¥230.3 billion. Despite revenue levels in the railway and bus and taxi businesses expected to remain on par with the previous fiscal year, this forecast takes into account the transfer of advertising operations and the Retailing Business accompanying the restructure of core businesses. We forecast operating income to edge up 0.4%, or ¥0.2 billion, to ¥34.9 billion because of the transfer of the abovementioned businesses, despite expected hikes in power and fuel costs caused by higher electricity rates as well as a forecasted increase in repair expenses.

For fiscal 2016, we project revenue levels in the railway and bus and taxi businesses to be nearly on par with fiscal 2014, while in advertising operations, we anticipate new revenue-generating media to be available following the completion of modernising works at Hankyu Umeda Station. As a result of these and other factors, we project revenues from operations to increase a 1.2%, or ¥2.7 billion, to ¥233.0 billion compared with our forecasts for fiscal 2014. However, we project operating income to be almost on par with fiscal 2014 at ¥34.4 billion due largely to depreciation and amortisation expenses accompanying capital expenditure in new rolling stock construction in the railway business, despite an expected increase in revenue.



* Figures in the brackets refer to core businesses prior to restructuring.

Hankyu Corporation and Hanshin Electric Railway: Performance Forecasts (Fiscal 2014)

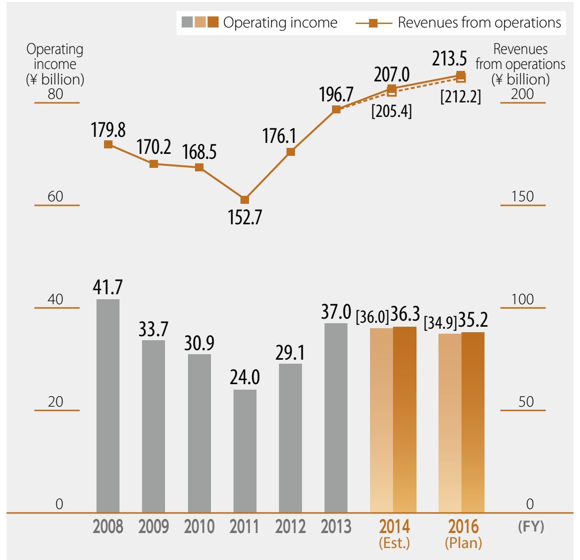
		Fare revenues (¥ million)*				Passenger volumes (thousands)*			
		FY2014	FY2013	Change	%	FY2014	FY2013	Change	%
Hankyu	Total	91,617	91,141	476	0.5%	618,139	615,324	2,814	0.5%
Hanshin	Total	30,188	30,410	-221	-0.7%	220,672	221,133	-461	-0.2%

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

Real Estate

In fiscal 2014, we forecast revenues from operations to increase 5.2%, or ¥10.3 billion, to ¥207.0 billion, which factors in full-year rental income for the Umeda Flagship Store of Hankyu Department Stores within Umeda Hankyu Building as well as improved occupancy rates at the Umeda Hankyu Building Office Tower. However, operating income is forecast to decrease 1.9%, or ¥0.7 billion, to ¥36.3 billion because of the projected impact of intensifying competition on existing rental facilities.

For fiscal 2016, we project revenues from operations to rise 3.1%, or ¥6.5 billion, to ¥213.5 billion compared with our forecasts for fiscal 2014. This mainly assumes that the Umeda Hankyu Building and other development properties will enter a stable rental income phase as well as higher earnings capability by strengthening real estate leasing management models and cost effectiveness. However, we project operating income to decrease 3.0%, or ¥1.1 billion, to ¥35.2 billion compared with our forecasts for fiscal 2014. In spite of high income levels anticipated in fiscal 2014 for the condominium subdivision business, this plan mainly reflects the projected impact of consumption tax rate hikes in fiscal 2016 and lower rental income following the commencement of the Umeda 1-1 Project.

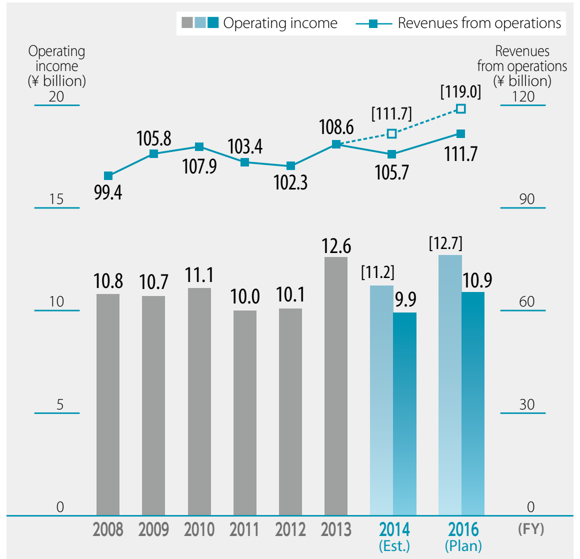


* Figures in the brackets refer to core businesses prior to restructuring.

Entertainment and Communications

In fiscal 2014, we forecast revenues from operations to decrease 2.7%, or ¥2.9 billion, year on year to ¥105.7 billion. In spite of an anticipated increase in revenue from broadcasting rights fees caused by a rise in the number of Hanshin Tigers home games, this forecast is mainly based on the transfer of advertising operations to the Urban Transportation Business and an expected decline in the number of theatrical performances other than those held at the Takarazuka Grand Theatre and the Tokyo Takarazuka Theatre in the stage business. Operating income is forecast to fall 21.4%, or ¥2.7 billion, year on year to ¥9.9 billion primarily due to the abovementioned decrease in revenue as well as the stage business' efforts to expand advertising to promote the centennial of the Takarazuka Revue in 2014.

For fiscal 2016, we project revenues from operations to climb 5.7%, or ¥6.0 billion, to ¥111.7 billion, and operating income to rise 10.1%, or ¥1.0 billion, to ¥10.9 billion from our forecasts for fiscal 2014. These plans mainly assume growth in the cable television business and information technology services along with lower expenses after expanded advertising to promote the centennial of the Takarazuka Review runs its course in fiscal 2014.

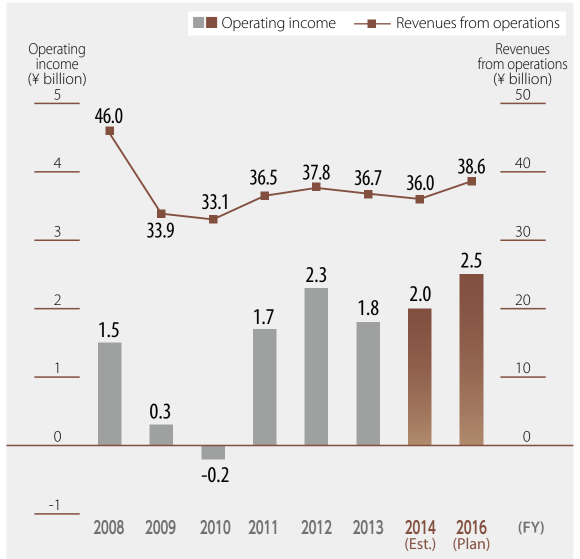


* Figures in the brackets refer to core businesses prior to restructuring.
* From fiscal 2014 onward, Hankyu Railway's transportation and advertising operations will be transferred to the Urban Transportation Business.

International Transportation

In fiscal 2014, we forecast revenues from operations to decline 1.9%, or ¥0.7 billion, year on year to ¥36.0 billion due to a steady fall in revenue expected mainly in the first half amid continually severe operating conditions. However, operating income is forecast to improve 11.1%, or ¥0.2 billion, to ¥2.0 billion primarily because of a gradual rebound in demand expected throughout the year mainly in the ASEAN region and East Asia as well as efforts to cut costs by improving operational efficiency.

For fiscal 2016, we project revenues from operations to rise 7.2%, or ¥2.6 billion, to ¥38.6 billion and operating income to grow 25.0%, or ¥0.5 billion, to ¥2.5 billion from our forecasts for fiscal 2014. These plans assume ongoing growth amid economic expansion in emerging markets centred in Asia.

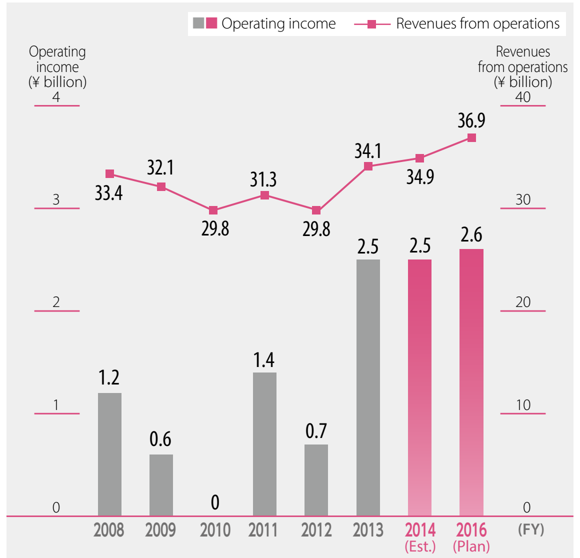


* Due to the restructuring of core businesses, the Travel Business and International Transportation Business have been separated into independent core businesses from fiscal 2014 onward. Consequently, between fiscal 2008 and fiscal 2013, actual figures for the International Transportation Business are shown separately from those for the core Travel and International Transportation Business and exclude expenses shared by both businesses, such as corporate expenses.

Travel

In fiscal 2014, we forecast revenues from operations to increase 2.3%, or ¥0.8 billion, year on year to ¥34.9 billion and operating income of ¥2.5 billion, on par with favourable performance in fiscal 2013. Although tourist numbers for such countries as China and South Korea are expected to decline, these forecasts assume robust sales of mainstay European travel packages as well as destinations including North and South America.

For fiscal 2016, we project revenues from operations to rise 5.7%, or ¥2.0 billion, to ¥36.9 billion, and operating income to increase 4.0%, or ¥0.1 billion, to ¥2.6 billion compared with our forecasts for fiscal 2014. These plans assume continuous growth based on expansions in product lineups and sales channels, including upgrades in the reservation environment.

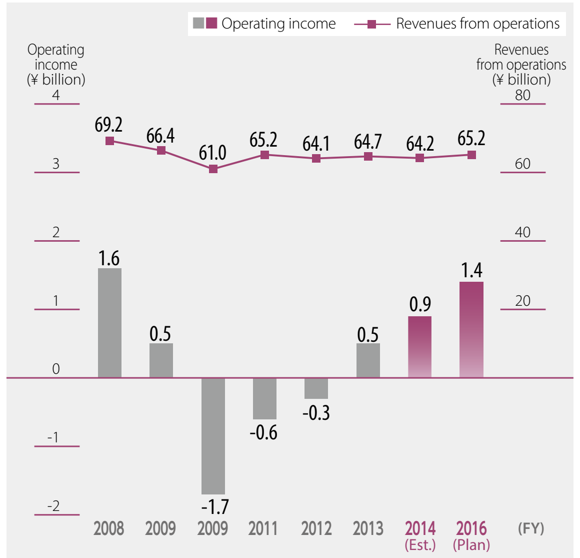


* Due to the restructuring of core businesses, the Travel Business and International Transportation Business have been separated into independent core businesses from fiscal 2014 onward. Consequently, between fiscal 2008 and fiscal 2013, actual figures for the Travel Business are shown separately from those for the core Travel and International Transportation Business and exclude expenses shared by both businesses, such as corporate expenses.

Hotels

In fiscal 2014, we forecast operating income to jump 80.0%, or ¥0.4 billion, year on year to ¥0.9 billion. Despite higher electricity rates, this forecast mainly reflects an improvement in profit and loss following the elimination of unprofitable hotels during the previous fiscal year as well as the contribution of full-year earnings from REMM Shin-Osaka, which opened in the previous fiscal year.

For fiscal 2016, we project operating income to increase 55.6%, or ¥0.5 billion compared with our forecasts for fiscal 2014 to ¥1.4 billion mainly because of efforts to increase revenues of existing hotels and cost-cutting measures based on structural reforms.



* Food and drink businesses operated by the Retailing Business segment have been transferred to the Hotel Business segment, as of fiscal 2011.