

Fiscal 2016 Business Results Outlook

In fiscal 2016, the first fiscal year of our new management phase, we expect a 2.1%, or ¥14.1 billion, year-on-year increase in revenues from operations, to ¥700 billion, and a 2.2%, or ¥2.0 billion, decrease in operating income, to ¥92 billion. Although electricity fees and depreciation and amortisation are likely to rise, the Urban Transportation Business is expected to perform steadily. In addition, while the Real Estate Business will see rental income decline as work progresses under the Umeda 1-1 Project,

earnings from sales of land for facilities are expected to rise. Meanwhile, the Entertainment and Communications Business is projected to record lower earnings due to the absence of the benefit of the Takarazuka Revue's centenary year in 2014. In the Real Estate Business, although the outlook for the housing market is uncertain, the Group will continue concerted efforts to grow earnings.

Fiscal 2016 management indicators outlook

	FY2015 result	FY2016 estimate
Operating income	¥94.0 billion	¥92.0 billion
EBITDA	¥150.1 billion	¥150.0 billion
Interest-bearing debt	¥955.8 billion	¥950.0 billion
Interest-bearing debt/EBITDA ratio	6.4 times	6.3 times
D/E ratio	1.4 times	1.4 times
Net income	¥54.2 billion	¥52.0 billion
ROE	8.6%	7.8%

(Reference)

Net interest-bearing debt*	¥930.2 billion	¥925.0 billion
Net interest-bearing debt/EBITDA ratio	6.2 times	6.2 times

* Amount of interest-bearing debt less cash and deposits

Fiscal 2016 Outlook

In the railway business, we anticipate a pickup from fiscal 2015's decrease in revenues from operations, which resulted from the absence of fiscal 2014's rush demand prior to the consumption tax increase. Also, population growth in line-side areas is likely to boost railway operation revenue. Consequently, in fiscal 2016, ending 31st

Hankyu Corporation and Hanshin Electric Railway: Performance forecasts (fiscal 2016)

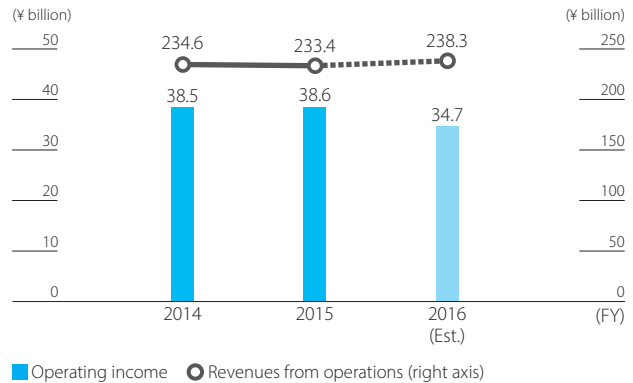
	Fare revenues (¥ million)*			
	FY2016	FY2015	Change	%
Hankyu	94,378	92,459	1,918	2.1%
Hanshin	31,762	31,394	368	1.2%

	Passenger volumes (thousands)*			
	FY2016	FY2015	Change	%
Hankyu	640,351	627,536	12,814	2.0%
Hanshin	229,966	227,203	2,762	1.2%

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

March 2016, we project a 2.1%, or ¥4.9 billion, year-on-year increase in revenues from operations, to ¥238.3 billion. However, due to higher power costs and depreciation and amortization, we expect operating income to decrease 10.0%, or ¥3.9 billion year on year, to ¥34.7 billion.

Urban Transportation Business: Outlook for revenues from operations and operating income



Fiscal 2016 Outlook

Earnings from sales of land for facilities are likely to compensate for a decrease in rental revenue (rental floor space) as work on the Umeda 1-1 Project progresses. As a result, in fiscal 2016, ending 31st March 2016, we expect revenues from operations to increase 9.4%, or ¥19.4 billion, year on year, to ¥225.8 billion. We also anticipate a 17.8%, or ¥6.6 billion, year-on-year rise in operating income, to ¥43.8 billion.

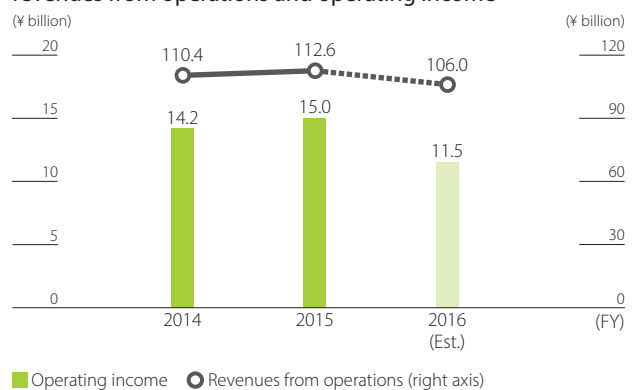
Real Estate Business: Outlook for revenues from operations and operating income



Fiscal 2016 Outlook

In fiscal 2016, ending 31st March 2016, the Entertainment and Communications Business is projected to record year-on-year decreases of 5.9%, or ¥6.6 billion, in revenues from operations, to ¥106.0 billion, and 23.3%, or ¥3.5 billion, in operating income, to ¥11.5 billion. These decreases are likely to stem from the absence of the previous fiscal year's increase in revenues in the sports business, which accompanied the Hanshin Tigers advance to the Japan series, and lower earnings in the stage business, resulting from the ending of the Takarazuka Revue's 100th anniversary events.

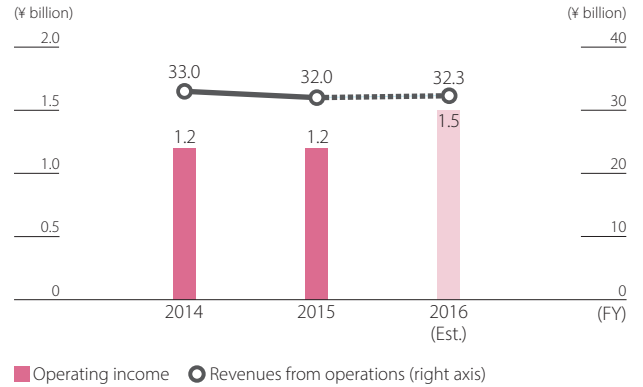
Entertainment and Communications Business: Outlook for revenues from operations and operating income



Fiscal 2016 Outlook

In fiscal 2016, ending 31st March 2016, the Travel Business is expected to achieve increases of 1.0%, or ¥0.3 billion, in revenues from operations, to ¥32.3 billion, and 22.2%, or ¥0.3 billion, in operating income, to ¥1.5 billion. We plan to achieve these increases by attracting more customers for domestic travel products, which will counteract the continuing negative effect on demand for overseas travel products of yen depreciation, security concerns, and low consumer confidence.

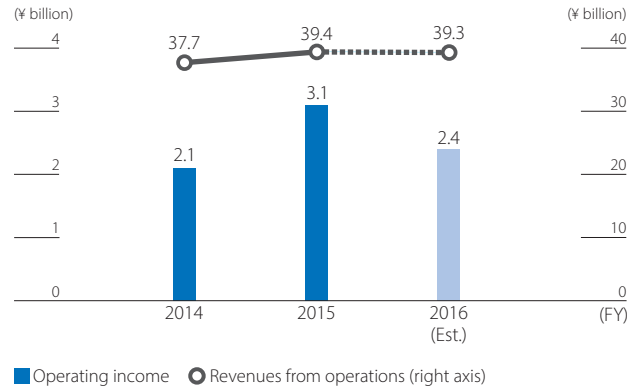
Travel Business: Outlook for revenues from operations and operating income



Fiscal 2016 Outlook

In fiscal 2016, ending 31st March 2016, the International Transportation Business is expected to post year-on-year decreases of 0.3%, or ¥0.1 billion, in revenues from operations, to ¥39.3 billion, and 21.4%, or ¥0.7 billion, in operating income, to ¥2.4 billion, reflecting the absence of fiscal 2015's special demand for air transportation and a relative decrease in yen depreciation's positive effect on earnings.

Travel Business: Outlook for revenues from operations and operating income

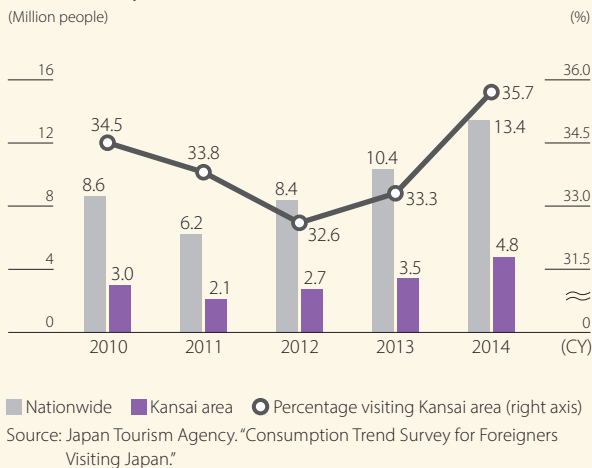


Fiscal 2016 Outlook

In fiscal 2016, ending 31st March 2016, the Hotels Business is expected to achieve year-on-year growth of 3.0%, or ¥1.9 billion, in revenues from operations, to ¥64.9 billion, and 15.1%, or ¥0.2 billion, in operating income, to ¥1.4 billion. We anticipate that this growth

will result from a favourable performance by the accommodation area, as respective hotels see a continuation of fiscal 2015's upward trend in demand from visitors to Japan, and an increase in banquet hall and restaurant guests.

Visitors to Japan



Hotel Business: Outlook for revenues from operations and operating income

