

Notice: This is a translation of the Notice of Convocation of the 178th Ordinary General Meeting of Shareholders of Hankyu Hanshin Holdings, Inc. and is made solely for the convenience of foreign shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

[Translation]

Securities Code: 9042

May 24, 2016

To our shareholders

Kazuo Sumi, President and Representative Director
Hankyu Hanshin Holdings, Inc.
1-1, Sakaemachi, Ikeda-shi, Osaka
(Head Office: 1-16-1, Shibata, Kita-ku, Osaka-shi)

Notice of Convocation of the 178th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 178th Ordinary General Meeting of Shareholders of the Company to be held as described below.

If you are unable to attend the meeting, please exercise your voting rights by mail or via the Internet after studying the following reference materials for the General Meeting of Shareholders and confirming the information on the Exercise of Voting Rights on pages 3 through 4.

Details

- Date and Time** 10:00 a.m., **Tuesday, June 14, 2016**
- Location of Meeting** **Main Hall, Umeda Arts Theater**
19-1, Chayamachi, Kita-ku, Osaka-shi
- Purpose of Meeting**

Matters for Reporting:

- Report on the business report, consolidated financial statements and financial statements for the 178th fiscal year (April 1, 2015 to March 31, 2016)
- Report on the audit results of the consolidated financial statements for the 178th fiscal year by the Accounting Auditors and the Audit & Supervisory Board

Matters for Resolution:

- | | |
|---------------------------------|--|
| First Item of Business: | Appropriation of Retained Earnings |
| Second Item of Business: | Shares Consolidation |
| Third Item of Business: | Partial Amendment to the Articles of Incorporation |
| Fourth Item of Business: | Election of fourteen (14) Directors |
| Fifth Item of Business: | Election of one (1) Audit & Supervisory Board Member |

4. Matters Determined upon Convocation

Please refer to "Information on the Exercise of Voting Rights" on pages 3 through 4.

- * Please understand that if any revisions are required to be made to the matters to be indicated in the business report, consolidated financial statements, financial statements and reference materials for the General Meeting of Shareholders, the revisions will be posted on our website (<http://www.hankyu-hanshin.co.jp/ir/>) in Japanese.

- * If you exercise your voting rights at the meeting by proxy (only one other shareholder who is able to exercise his/her voting rights at the General Meeting of Shareholders is entitled to become a proxy), we will request that the proxy provide documents to prove his/her proxy (letter of proxy), your voting form, and the proxy's voting form at the reception desk of the venue.

Information on the Exercise of Voting Rights

There are three methods for exercising your voting rights:

- **Voting at the General Meeting of Shareholders**
Please present the enclosed voting form to the reception desk of the venue. You are also requested to bring this Notice of Convocation of the General Meeting of Shareholders with you to the meeting.
- **Voting by mail**
Please indicate your approval or disapproval of the Items of Business on the enclosed voting form and return the completed form to the Company to arrive by the designated deadline noted below.
Deadline for exercising voting rights: to arrive by 5:50 p.m. on June 13, 2016 (Monday)
- **Voting via the Internet**
Please access the voting website designated by the Company (<http://www.evotep.jp/>) and input your approval or disapproval of the Items of Business and complete by the designated deadline noted below.
Deadline for exercising voting rights: to be completed by 5:50 p.m. on June 13, 2016 (Monday)

If you will be attending the General Meeting of Shareholders, you are not required to follow the procedures for voting by mail or via the Internet.

Information on voting via the Internet

When voting via the Internet, please be aware of the following matters before voting.

- (1) Voting website
 - (i) Voting via the Internet is available only by gaining access to the Company's designated voting website (<http://www.evotep.jp/>) from a PC, a smartphone, or a mobile phone (i-mode, EZweb or Yahoo! Mobile). However, please note that you cannot vote via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.
 - (ii) Please note that you may not be able to vote via PC or smartphone on the designated voting website depending on your Internet settings, such as firewalls, etc., that are in place to regulate your Internet connection, anti-virus software that has been installed, use of a proxy server or no designation of TLS encrypted communication.
 - (iii) When voting via mobile phone, you must use one of the following services: i-mode, EZweb or Yahoo! Mobile. For security reasons, you cannot vote using mobile devices that cannot send encrypted information (TLS communications) or that cannot send information on the mobile phone used.
 - (iv) The Company will accept votes via the Internet received by the end of business hours (5:50 p.m.) on June 13, 2016 (Monday), which is the day immediately prior to the date of the General Meeting of Shareholders. However, you are advised to vote early, and please contact the Help Desk described below if you have any questions.
- (2) Method for voting
 - (i) On the voting website (<http://www.evotep.jp/>), please use the "login ID" and the "temporary password" stated in the voting form, and input your approval or disapproval in accordance with the instructions on the screen.
 - (ii) Please note that, in order to prevent unauthorized access to the designated website by third parties other than shareholders (persons impersonating shareholders) and to prevent the alteration of votes, if you wish to vote via the Internet, we request that you change your "temporary password" to a permanent password on the designated voting website.

(iii) We will provide a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.

(3) Costs associated with accessing the voting website

All costs associated with accessing the voting website (cost of internet connections, telephone tolls, etc.) are to be borne by the shareholder. In addition, when voting via smartphone or mobile phone, all data fees and other mobile phone costs incurred in the use of a smartphone or a mobile phone are also to be borne by the shareholder.

Handling of duplicate voting via the Internet

If you vote via the Internet multiple times, the final vote cast will be deemed as effective. If you vote via a PC, a smartphone or a mobile phone multiple times, the final vote cast will be deemed as effective.

Handling of duplicate voting by mail and via the Internet

If you vote by both mail and via the Internet, the Company will treat the vote cast via the Internet as effective.

Information on electronic voting platform

Nominal shareholders (including standing proxies) such as management trust banks may use the electronic voting platform operated by ICJ, Inc. (which was established by Tokyo Stock Exchange, Inc. and another company) by applying in advance.

For further assistance regarding IT matters, please contact:
Corporate Agency Division (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 to 21:00 (Japan Time); toll free only within Japan)

Reference Materials for General Meeting of Shareholders

Items of Business and Reference Matters

First Item of Business: Appropriation of Retained Earnings

Our group intends to improve the competitiveness of each core business led under the initiative of key companies that fall under the Company's responsibility to perform group management, and endeavors to demonstrate the comprehensive strength of the group through collaboration between core businesses.

The Company has the basic policy to continue distributing constant dividends, while having set the target total return ratio of 25% for conducting share buyback.

- * Total return ratio: the aggregate of the total annual dividend and purchases of treasury stock as a percentage of consolidated net income

For the current fiscal year, the Company wishes to pay final dividends as follows:

- (1) Matters relating to, and total amount of, dividend property to be allotted to the shareholders:

3.50 yen per share of common stock, totaling 4,413,604,811 yen

- * As interim dividends of 3.50 yen per share of common stock were distributed, annual dividends for the current fiscal year amount to 7 yen per share, which is 1 yen per share increase compared with the previous fiscal year.

- (2) Date that the distribution of retained earnings becomes effective:

June 15, 2016

Second Item of Business: Shares Consolidation

1. Reason for Shares Consolidation

The Japanese stock exchanges have announced the “Action Plan for Consolidating Trading Units” aiming to unify the share trading unit of shares of common stock of all domestic companies listed on the Japanese stock exchanges to one hundred (100) shares by October 1, 2018. The Company, the shares of common stock of which are listed on the Tokyo Stock Exchange, respects this policy and intends to change its number of shares of common stock constituting one share unit from the current one thousand (1,000) to one hundred (100). In line with this change, the Company also intends to implement a consolidation of its shares of common stock in order to adjust the investment unit to an appropriate level taking into consideration possible future changes in share prices in the medium to long term.

2. Consolidation Ratio

Every five (5) shares of common stock of the Company will be consolidated into one (1) share.

If any fraction of a share is produced by such consolidation, the Company will pay a cash amount in proportion to such fraction to the holder thereof, in accordance with the provisions of the Companies Act.

3. Effective Date of Shares Consolidation

August 1, 2016

4. Total Number of Shares Authorized to be Issued as of the Effective Date

640,000,000 shares

5. Others

The shares consolidation in this proposal shall take effect on the condition that the Third Item of Business (Partial Amendment to the Articles of Incorporation) is approved as proposed. It is also proposed that all other necessary procedural matters for implementing the shares consolidation be entrusted to the Board of Directors.

(Note) As a result of the shares consolidation, the number of shares held by each shareholder will be reduced to one-fifth (1/5) of the number of shares held prior to the consolidation. However, since there is no change in the Company's assets and capital before and after such consolidation, there will be no change in the asset value of shares of the Company held by each shareholder, unless affected by other factors such as changes in the stock market conditions.

Third Item of Business: Partial Amendment to the Articles of Incorporation

1. Reason for the Proposal

(1) On the condition that the Second Item of Business (Shares Consolidation) is approved as proposed, the Company proposes to amend Article 6 of the existing Articles of Incorporation so that the total number of shares authorized to be issued will be reduced in proportion to the ratio of the shares consolidation, and to amend Article 8 thereof so that the number of shares constituting one share unit will be changed from one thousand (1,000) to one hundred (100). (Please see Articles 6 and 8 of the Proposed Amendments below.)

In respect of these amendments, a supplementary provision will be established to provide that the amendments will become effective on August 1, 2016, which is the effective date of the shares consolidation as stated in the Second Item of Business. Such supplementary provision will be automatically deleted when such effective date has passed.

(2) As the scope of directors and Audit & Supervisory Board Members who can enter into a contract with the relevant company to limit their liability has been broadened by the “Act for the Partial Amendment of the Companies Act” (Law No. 90 of 2014), the Company proposes to amend Articles 28 and 35 of the existing Articles of Incorporation in order to enable its Directors and Audit & Supervisory Board Members to fully perform their expected roles. (Please see Articles 28 and 35 of the Proposed Amendments below.)

With respect to the proposed amendment of Article 28 of the existing Articles of Incorporation, approval of all Audit & Supervisory Board Members has been obtained.

2. Details of the Proposed Amendments

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>Article 6. (Total Number of Shares Authorized to be Issued)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>three billion two hundred million (3,200,000,000)</u>.</p> | <p>Article 6. (Total Number of Shares Authorized to be Issued)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>six hundred and forty million (640,000,000)</u>.</p> |
| <p>Article 8. (Share Unit)</p> <p>The number of shares of a share unit of the Company shall be <u>one thousand (1,000)</u>.</p> | <p>Article 8. (Share Unit)</p> <p>The number of shares of a share unit of the Company shall be <u>one hundred (100)</u>.</p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p>Article 28. (Contracts with <u>Outside Directors</u> to Limit Liability)</p> <p>The Company may enter into a contract with <u>Outside Directors</u> to limit their liability for damages, up to the maximum amount specified by laws and ordinances, with regard to their liability as described in Article 423, Paragraph 1 of the Companies Act as long as they have acted in good faith and without gross negligence.</p> | <p>Article 28. (Contracts with <u>Directors</u> to Limit Liability)</p> <p>The Company may enter into a contract with <u>Directors (excluding those who are Executive Directors or the like)</u> to limit their liability for damages, up to the maximum amount specified by laws and ordinances, with regard to their liability as described in Article 423, Paragraph 1 of the Companies Act as long as they have acted in good faith and without gross negligence.</p> |
| <p>Article 35. (Contracts with <u>Outside Audit & Supervisory Board Members</u> to Limit Liability)</p> <p>The Company may enter into a contract with <u>Outside Audit & Supervisory Board Members</u> to limit their liability for damages, up to the maximum amount specified by laws and ordinances, with regard to their liability as described in Article 423, Paragraph 1 of the Companies Act as long as they have acted in good faith and without gross negligence.</p> | <p>Article 35. (Contracts with <u>Audit & Supervisory Board Members</u> to Limit Liability)</p> <p>The Company may enter into a contract with <u>Audit & Supervisory Board Members</u> to limit their liability for damages, up to the maximum amount specified by laws and ordinances, with regard to their liability as described in Article 423, Paragraph 1 of the Companies Act as long as they have acted in good faith and without gross negligence.</p> |
| <p>(New)</p> | <p><u>Supplementary Provision</u></p> <p><u>Article 1. The amendments to Articles 6 and 8 shall take effect on August 1, 2016.</u></p> <p><u>This article shall be deleted after August 1, 2016.</u></p> |

(Note) Amended parts are underlined.

Fourth Item of Business: Election of fourteen (14) Directors

Because the terms of office of all thirteen (13) Directors expire at the close of this General Meeting of Shareholders, the Company requests the election of fourteen (14) Directors.

The candidates for the positions of Director are as follows:

| No. | Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | Number of Shares of the Company Owned |
|-----|--|--|---|
| 1 | Reelection Kazuo Sumi (Apr. 19, 1949) | <p>Apr. 1973 Joined Hankyu Corporation</p> <p>Jun. 2000 Director of Hankyu Corporation</p> <p>Jun. 2002 Managing Director of Hankyu Corporation</p> <p>Jun. 2003 President and Representative Director of Hankyu Corporation</p> <p>Apr. 2005 President and Representative Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 President and Representative of the Company (to present)</p> <p>Apr. 2008 Director of Hankyu Hanshin Hotels Co., Ltd. (to present)</p> <p>Apr. 2013 Director of HANKYU TRAVEL INTERNATIONAL CO., LTD. (to present)</p> <p>Apr. 2013 Director of HANKYU HANSHIN EXPRESS Co., Ltd. (to present)</p> <p>Mar. 2014 Chairman and Representative Director of Hankyu Corporation (to present)</p> | 176,200 shares |
| 2 | Reelection Shinya Sakai (Feb. 9, 1948) | <p>Apr. 1970 Joined HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2002 Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2005 Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Jun. 2006 President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD.</p> <p>Oct. 2006 Representative Director of the Company (to present)</p> <p>Jun. 2008 Chairman and Representative Director of HANSHIN Tigers Baseball Club, Ltd. (to present)</p> <p>Apr. 2011 Chairman and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present)</p> | 73,260 shares |

| No. | Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | Number of Shares of the Company Owned |
|-----|---|---|---|
| 3 | <p>Reelection Candidate for the position of Outside Director</p> <p>Noriyuki Inoue (Mar. 17,1935)</p> | <p>Mar. 1957 Joined DAIKIN INDUSTRIES, LTD.</p> <p>Jun. 1994 President and Representative Director of DAIKIN INDUSTRIES, LTD.</p> <p>Jun. 2002 Chairman and Representative Director and CEO of DAIKIN INDUSTRIES, LTD.</p> <p>Jun. 2003 Director of Hankyu Corporation</p> <p>Apr. 2005 Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 Director of the Company (to present)</p> <p>Jun. 2014 Chairman of the Board and Chief Global Group Officer of DAIKIN INDUSTRIES, LTD. (to present)</p> | 33,000 shares |
| 4 | <p>Reelection Candidate for the position of Outside Director</p> <p>Shosuke Mori (Aug. 6, 1940)</p> | <p>Apr. 1963 Joined The Kansai Electric Power Company, Incorporated</p> <p>Jun. 2005 President and Representative Director of The Kansai Electric Power Company, Incorporated</p> <p>Jun. 2010 Director of the Company (to present)</p> <p>Jun. 2010 Chairman and Representative Director of The Kansai Electric Power Company, Incorporated (to present)</p> | 41,000 shares |
| 5 | <p>Reelection</p> <p>Shunichi Sugioka (Apr. 1, 1940)</p> | <p>Apr. 1964 Joined Hankyu Department Stores, Inc.</p> <p>Jun. 2000 President and Representative Director of Hankyu Department Stores, Inc.</p> <p>Jun. 2000 Director of Hankyu Corporation</p> <p>Apr. 2005 Chairman and Representative Director of Hankyu Department Stores, Inc.</p> <p>Apr. 2005 Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 Director of the Company (to present)</p> <p>Oct. 2007 Chairman and Representative Director and CEO of H₂O RETAILING CORPORATION</p> <p>Apr. 2008 Director of Hankyu Hanshin Hotels Co., Ltd. (to present)</p> <p>Oct. 2008 Chairman and Representative Director of HANKYU HANSHIN DEPARTMENT STORES, INC.</p> <p>Apr. 2015 Director and Senior Advisor to the Board of H₂O RETAILING CORPORATION (to present)</p> <p>Apr. 2015 Director and Senior Advisor to the Board of HANKYU HANSHIN DEPARTMENT STORES, INC. (to present)</p> | 63,000 shares |

| No. | Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | Number of Shares of the Company Owned |
|-----|---|---|---|
| 6 | Reelection Yoshishige Shimatani (Mar. 5, 1952) | Apr. 1975 Joined TOHO CO., LTD. May 2011 President and Representative Director of TOHO CO., LTD. (to present) Jun. 2015 Director of the Company (to present) | 2,000 shares |
| 7 | Reelection Takaoki Fujiwara (Feb. 23, 1952) | Apr. 1975 Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2005 Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2007 Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Apr. 2011 President and Representative Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present) Jun. 2011 Director of the Company (to present) Apr. 2015 Chairman and Representative Director of Hanshin Hotel Systems Co, Ltd. (to present) | 52,600 shares |
| 8 | Reelection Yoshihiro Nakagawa (May 6, 1953) | Apr. 1976 Joined Hankyu Corporation Jun. 2005 Director of Hankyu Corporation Apr. 2007 Managing Director of Hankyu Corporation Apr. 2013 Senior Managing Director and Representative Director of Hankyu Corporation Mar. 2014 President and Representative Director of Hankyu Corporation (to present) Jun. 2014 Director of the Company (to present) | 69,000 shares |

| No. | Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | Number of Shares of the Company Owned |
|-----|--|--|---|
| 9 | <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Ichiro Namai (Oct. 29, 1947)</p> | <p>Apr. 1971 Joined HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Jun. 2000 Director of HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Apr. 2008 Executive Vice President and Representative Director of HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Apr. 2008 Audit & Supervisory Board Member of Hankyu Hanshin Hotels Co., Ltd. (to present)</p> <p>Apr. 2010 President and Representative Director of HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Jun. 2013 Director of the Company (to present)</p> <p>Apr. 2014 Chairman and Representative Director of HANKYU TRAVEL INTERNATIONAL CO., LTD. (to present)</p> | 35,000 shares |
| 10 | <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Seisaku Okafuji (Nov. 19, 1950)</p> | <p>Apr. 1974 Joined HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Jun. 2005 Director of HANKYU TRAVEL INTERNATIONAL CO., LTD.</p> <p>Apr. 2008 Director of Hankyu Express International Co., Ltd.</p> <p>Oct. 2009 Director of HANKYU HANSHIN EXPRESS Co., Ltd.</p> <p>Apr. 2010 President and Representative Director of HANKYU HANSHIN EXPRESS Co., Ltd. (to present)</p> <p>Jun. 2013 Director of the Company (to present)</p> | 22,000 shares |
| 11 | <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Mitsuo Nozaki (Apr. 8, 1958)</p> | <p>Apr. 1981 Joined Hankyu Corporation</p> <p>Jun. 2005 Director of Hankyu Corporation</p> <p>Jun. 2006 Director of Hankyu Holdings, Inc.</p> <p>Oct. 2006 Director of the Company</p> <p>Apr. 2007 Managing Director of Hankyu Corporation</p> <p>Apr. 2013 Senior Managing Director of Hankyu Corporation (to present)</p> <p>Apr. 2013 Director of the Company, overseeing Personnel and General Affairs Division (to present)</p> <p>Nov. 2013 Chairman of the Board of Hankyu Hanshin Hotels Co., Ltd. (to present)</p> | 81,000 shares |

| No. | Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | Number of Shares of the Company Owned |
|-----|---|---|---|
| 12 | Reelection Masao Shin (May 22, 1957) | Apr. 1981 Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Jun. 2006 Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Oct. 2006 Director of the Company Apr. 2008 Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Apr. 2013 Audit & Supervisory Board Member of Hankyu Hanshin Hotels Co., Ltd. (to present) Apr. 2014 Senior Managing Director of HANSHIN ELECTRIC RAILWAY CO., LTD. (to present) Jun. 2014 Director of the Company, overseeing Group Planning Division (Group Management Planning) (to present) Apr. 2016 Director of Hankyu Corporation (to present) | 70,800 shares |
| 13 | Reelection Naohisa Nogami (Jul. 30, 1958) | Apr. 1982 Joined Hankyu Corporation Apr. 2007 Director of Hankyu Corporation Apr. 2013 Managing Director of Hankyu Corporation Mar. 2014 Senior Managing Director of Hankyu Corporation (to present) Apr. 2014 Audit & Supervisory Board Member of HANKYU TRAVEL INTERNATIONAL CO., LTD. (to present) Apr. 2014 Audit & Supervisory Board Member of HANKYU HANSHIN EXPRESS Co., Ltd. (to present) Jun. 2014 Director of the Company, overseeing Group Planning Division (Group Business Planning) (to present) | 65,650 shares |
| 14 | New Takehiro Sugiyama (Nov. 20, 1958) | Apr. 1982 Joined Hankyu Corporation Jun. 2005 Director of Hankyu Corporation Jun. 2006 Director of Hankyu Holdings, Inc. Oct. 2006 Director of the Company Apr. 2007 Managing Director of Hankyu Corporation Jun. 2013 President and Representative Director of Kobe Electric Railway Co., Ltd. (to present) | 102,250 shares |

(Notes)

1. The candidates for the positions of Director have no special interest in the Company.

2. Mr. Noriyuki Inoue and Mr. Shosuke Mori are candidates for the positions of Outside Director.
3. The Company has filed with the securities exchange on which its shares are listed a report on independent officers, detailing that Mr. Noriyuki Inoue and Mr. Shosuke Mori are independent officers. Mr. Noriyuki Inoue and Mr. Shosuke Mori have satisfied the independence criteria (posted on the Company's website: <http://www.hankyu-hanshin.co.jp/corporate/data/officer.html>) stipulated by the Company which takes into account the requirements for independence prescribed by the securities exchange.

4. The reasons to elect Mr. Noriyuki Inoue and Mr. Shosuke Mori, respectively, are as follows:

- (1) Mr. Noriyuki Inoue: Because he has held the position of representative director of DAIKIN INDUSTRIES, LTD. for a long time and as vice-chairman of Kansai Economic Federation, he is expected to express opinions using his abundant experience and from the perspective of a business leader.

His term of office from election as an Outside Director of the Company to the close of this General Meeting of Shareholders is thirteen (13) years.

- (2) Mr. Shosuke Mori: Because he has long held the position of representative director of The Kansai Electric Power Company, Incorporated, which carries out business expected to benefit the public as our group does, and of chairman of Kansai Economic Federation, he is expected to express opinions using his abundant managerial experience, and from the perspective of a business leader and with understanding of corporate social responsibility.

His term of office from election as an Outside Director of the Company to the close of this General Meeting of Shareholders is six (6) years.

It is noted that in January 2014, the Japan Fair Trade Commission issued a cease and desist order and a surcharge payment order to Kanden Engineering Corporation, where Mr. Mori holds the position of Audit & Supervisory Board Member, because the company had substantially limited competition by colluding with other operators in conducting order intake adjustments. With respect to this matter, Mr. Mori received reports on preventative measures and their implementation status, and took necessary measures and fulfilled his responsibility as an Audit & Supervisory Board Member.

5. The Company has entered into individual contracts with Messrs. Noriyuki Inoue and Shosuke Mori, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company to the effect that their respective liability for damages under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount specified by laws and ordinances.
6. On the condition that the Third Item of Business (Partial Amendment to the Articles of Incorporation) and this Fourth Item of Business are approved as proposed, the Company will enter into individual contracts with Messrs. Shunichi Sugioka and Yoshishige Shimatani, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company to the effect that their respective liability for damages under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount specified by laws and ordinances.
7. Mr. Takehiro Sugiyama is expected to be elected as Executive Vice President and Representative Director of Hankyu Corporation on June 14, 2016.
8. Hankyu Corporation carried out a corporate division on April 1, 2005, whereby Hankyu

Corporation transferred its railway business and all other businesses to Hankyu Railway Business Succession Co., Ltd. (its trade name was changed to Hankyu Corporation on April 1, 2005), and changed its trade name to Hankyu Holdings, Inc. at the same time.

9. Hankyu Holdings, Inc. changed its trade name to Hankyu Hanshin Holdings, Inc. on October 1, 2006 upon the business integration with HANSHIN ELECTRIC RAILWAY CO., LTD.
10. HANKYU TRAVEL INTERNATIONAL CO., LTD. carried out a corporate division on April 1, 2008, whereby HANKYU TRAVEL INTERNATIONAL CO., LTD. transferred its travel business to Hankyu Travel International Travel Business Succession Co., Ltd. (its trade name was changed to HANKYU TRAVEL INTERNATIONAL CO., LTD. on April 1, 2008) and its international transportation business to Hankyu Express International Co., Ltd., and changed its trade name to HANKYU HANSHIN EXPRESS HOLDINGS CORPORATION at the same time.
11. Hankyu Express International Co., Ltd. merged with Hanshin Air Cargo Co., Ltd. on October 1, 2009, and Hanshin Air Cargo Co., Ltd. changed its trade name to HANKYU HANSHIN EXPRESS Co., Ltd. on October 1, 2009.
12. HANKYU HANSHIN EXPRESS HOLDINGS CORPORATION merged with HANKYU HANSHIN EXPRESS Co., Ltd. on April 1, 2013, and was dissolved.
13. Hankyu Department Stores, Inc. carried out a corporate division on October 1, 2007, whereby Hankyu Department Stores, Inc. transferred its department store business to the newly established Hankyu Department Stores, Inc., and changed its trade name to H₂O RETAILING CORPORATION at the same time. In addition, the newly established Hankyu Department Stores, Inc. merged with Hanshin Department Stores, Inc., on October 1, 2008, and changed its trade name to HANKYU HANSHIN DEPARTMENT STORES, INC.

Fifth Item of Business: Election of one (1) Audit & Supervisory Board Member

Because the term of office of Mr. Tsunenori Kawashima expires at the close of this General Meeting of Shareholders, the Company requests the election of one (1) Audit & Supervisory Board Member. The Audit & Supervisory Board has previously given its approval on this proposal.

The candidate for the position of Audit & Supervisory Board Member is as follows:

| Name (Date of Birth) | Summary of Career and Important Positions of Other Organizations Concurrently Held | | Number of Shares of the Company Owned |
|--|---|--|--|
| New Koichi Kobayashi (Dec. 13, 1959) | Apr. 1982 Jun. 2005 Oct. 2006 Apr. 2013 Apr. 2015 Apr. 2016 | Joined Hankyu Corporation Director of Hankyu Holdings, Inc. Director of the Company Director of Hankyu Corporation Managing Director of Hankyu Corporation Full-time Audit & Supervisory Board Member of Hankyu Corporation (to present) | 138,397 shares |

(Notes)

1. The candidate for the position of Audit & Supervisory Board Member has no special interest in the Company.
2. Hankyu Corporation carried out a corporate division on April 1, 2005, whereby Hankyu Corporation transferred its railway business and all other businesses to Hankyu Railway Business Succession Co., Ltd. (its trade name was changed to Hankyu Corporation on April 1, 2005), and changed its trade name to Hankyu Holdings, Inc. at the same time.
3. Hankyu Holdings, Inc. changed its trade name to Hankyu Hanshin Holdings, Inc. on October 1, 2006 upon the business integration with HANSHIN ELECTRIC RAILWAY CO., LTD.

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