

Group Management Philosophy



Mission

What we try to achieve

By delivering “Safety and Comfort” and “Dreams and Excitement,” we create satisfaction among our customers and contribute to society.

Values What is important to us



Customers First

Everything we do is for the customer.
That's where it all starts.



Sincerity

Gain customers' confidence
by always being sincere.



Foresight & Creativity

With our pioneer spirit
and flexible thinking,
we create a new value.



Respect for People

Everyone is absolutely
invaluable to the Group.

Corporate Social Responsibility (CSR)

We believe that contributing to local communities and preserving the environment are social responsibilities that are incumbent upon us to fulfill and which are essential for our medium-to-long-term development. Therefore, the two pillars of our CSR activities are social contribution activities, which develop towns and cities in partnership with local communities, and environmental preservation activities promoting environment-friendly business activities.



Social Contribution Activities



Basic Policy

We intend to promote the creation of towns and cities along our railway lines that people will truly want to live in.



Environmental Preservation Activities



Basic Concept

Mindful that global environmental preservation is a task facing all mankind, the Hankyu Hanshin Holdings Group works for a sustainable society through environmental activities aimed at handing down a sounder global and human environment to the next generation.

At a Glance

Major Operating Companies*

Fiscal 2017 Results

Urban Transportation



Hankyu Corporation



Hanshin Electric Railway

Revenues from Operations ¥237.1 billion (YoY -1.0%)

Operating Income ¥42.2 billion (YoY +2.3%)

Segment Assets ¥802.2 billion (YoY +1.0%)

Real Estate



Revenues from Operations ¥215.7 billion (YoY -2.4%)

Operating Income ¥42.0 billion (YoY -15.8%)

Segment Assets ¥1,056.7 billion (YoY +3.3%)

Entertainment and Communications



©Takarazuka Revue Company

Revenues from Operations ¥115.2 billion (YoY +2.4%)

Operating Income ¥15.7 billion (YoY +2.3%)

Segment Assets ¥147.3 billion (YoY +3.2%)

Travel



Hankyu Travel International

Revenues from Operations ¥29.9 billion (YoY -1.8%)

Operating Income ¥0.6 billion (YoY -6.4%)

Segment Assets ¥73.9 billion (YoY +13.3%)

International Transportation



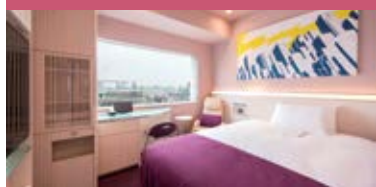
Hankyu Hanshin Express

Revenues from Operations ¥71.7 billion (YoY -5.8%)

Operating Income ¥1.6 billion (YoY -11.2%)

Segment Assets ¥38.7 billion (YoY -3.1%)

Hotels



Hankyu Hanshin Hotels

Revenues from Operations ¥65.6 billion (YoY -3.5%)

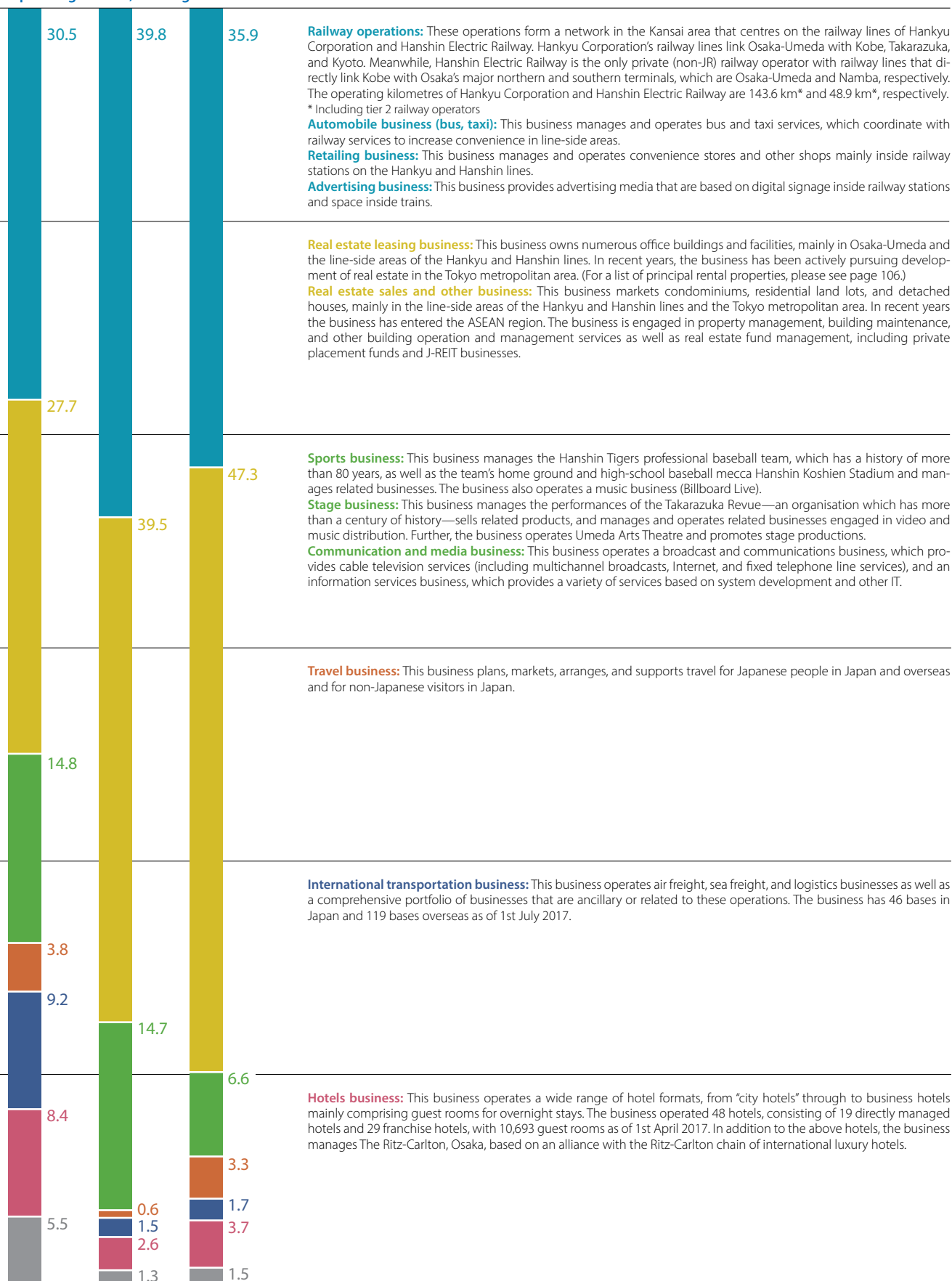
Operating Income ¥2.8 billion (YoY -15.2%)

Segment Assets ¥82.6 billion (YoY -0.2%)

* For Major Group Companies, please see page 107.

% of Revenues from Operations,
Operating Income, and Segment Assets

Nature of Business



Note: Figures for percentage of revenues from operations and operating income are calculated based on the simple aggregate amount (including intersegment transactions) of each segment.

Location of Our Business Base

The Hankyu Hanshin Holdings Group's business base is the Kansai area, which has a population of approximately 20 million. This is second only to the Tokyo metropolitan area. Further, the Kansai area is one of Asia's economic powerhouses. According to a Cabinet Office survey*, in fiscal 2015 the Kansai area's gross production reached US\$734.5 billion, surpassing the combined gross domestic product of Thailand and Singapore.

* Cabinet Office, Report on Prefectural Accounts for the Fiscal Year Ended 31st March 2015



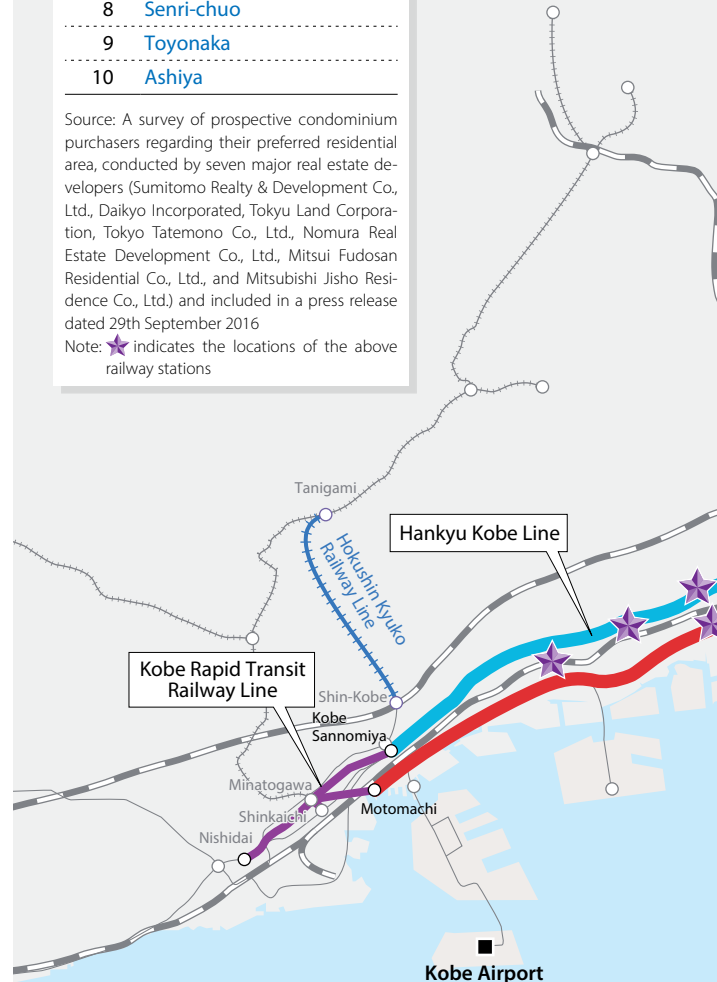
With a railway network linking the Kansai area's major cities—Osaka-Umeda, Kobe, and Kyoto—the Group has established an unshakable presence in the Kansai area. Since the earliest days of its railway operations, the Group has developed housing, entertainment facilities, and commercial facilities in the areas served by its lines. Further, thanks to efforts to attract universities, almost 50 universities and colleges are located in the areas served by our lines. Easy access to the Kansai area's major cities and plentiful infrastructure for everyday life make our line-side areas some of the most popular places to live in the region. A survey of prospective condominium purchasers regarding their preferred Kansai residential area conducted in fiscal 2017 reflects this popularity. The survey revealed that areas centred on the Group's railway stations accounted for all of the most popular areas. The above factors have led to high population densities in our line-side areas, which enable highly efficient transportation.

Survey of prospective condominium purchasers regarding their preferred Kansai residential area, conducted in fiscal 2017

| Ranking | Station |
|---------|-----------------------|
| 1 | Nishinomiya-kitaguchi |
| 2 | Shukugawa |
| 3 | Okamoto |
| 4 | Umeda |
| 5 | Takarazuka |
| 6 | Ashiyagawa |
| 7 | Mikage |
| 8 | Senri-chuo |
| 9 | Toyonaka |
| 10 | Ashiya |

Source: A survey of prospective condominium purchasers regarding their preferred residential area, conducted by seven major real estate developers (Sumitomo Realty & Development Co., Ltd., Daikyo Incorporated, Tokyu Land Corporation, Tokyo Tatemono Co., Ltd., Nomura Real Estate Development Co., Ltd., Mitsui Fudosan Residential Co., Ltd., and Mitsubishi Jisho Residence Co., Ltd.) and included in a press release dated 29th September 2016

Note: ★ indicates the locations of the above railway stations



Kansai International Airport

The largest airport in western Japan, this is the Kansai area's gateway to the world.

Kansai International Airport



Kyoto

Japan's iconic tourism destination, Kyoto welcomes 50 million visitors from other parts of Japan and from overseas every year.

Kyoto Prefecture

Hankyu Arashiyama Line

Hankyu Kyoto Line

Hyogo Prefecture

Osaka Prefecture

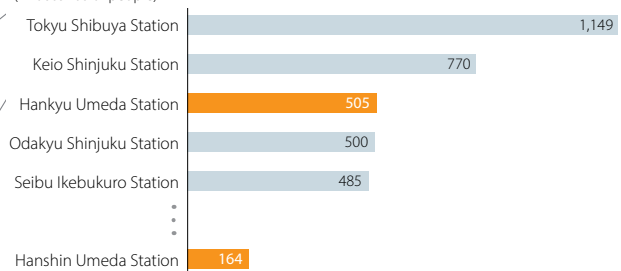
Nara Prefecture



Umeda

The Group's most important base, the Umeda area, is the Kansai economic bloc's hub and one of Japan's most popular shopping and entertainment districts.

Average number of passengers per day using stations of private (non-JR) railway operators in fiscal 2017 (Thousands of people)



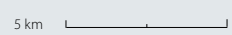
Source: Prepared by the Group based on documents released by respective companies

Hankyu Railway Network 143.6 km

| | |
|--|---------|
| Kobe Line (Kobe Line, Imazu Line, Itami Line, Koyo Line) | 46.9 km |
| Takarazuka Line (Takarazuka Line, Mino-o Line) | 28.5 km |
| Kyoto Line (Kyoto Line, Senri Line, Arashiyama Line) | 65.4 km |
| Kobe Rapid Transit Railway Line | 2.8 km |

Hanshin Electric Railway Network 48.9 km

| | |
|---|---------|
| Hanshin Line (Hanshin Main Line, Hanshin Namba Line, Mukogawa Line) | 43.9 km |
| Kobe Rapid Transit Railway Line | 5.0 km |



Performance Highlights (Consolidated)

Key Financial Indicators

| | (Millions of yen) | | | | | | | |
|--|-------------------|------------|------------|------------|------------|------------|------------|---------|
| FY | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| Result of Operations: | | | | | | | | |
| Revenues from operations | ¥ 752,300 | ¥ 683,715 | ¥ 653,287 | ¥ 638,770 | ¥ 649,703 | ¥ 682,439 | ¥ 679,157 | |
| Operating income | 90,724 | 77,823 | 70,126 | 64,743 | 73,809 | 87,921 | 91,828 | |
| EBITDA ¹ | 145,200 | 135,300 | 133,200 | 127,100 | 133,500 | 145,100 | 149,200 | |
| Ordinary income | 74,882 | 57,445 | 50,409 | 46,494 | 65,393 | 74,914 | 81,191 | |
| Income before income taxes | 26,098 | 34,064 | 33,899 | 32,760 | 43,419 | 62,192 | 83,542 | |
| Net income attributable to owners of the parent | 627 | 20,550 | 10,793 | 18,068 | 39,252 | 39,702 | 46,352 | |
| Comprehensive income | — | — | 12,541 | 14,728 | 44,992 | 54,081 | 55,941 | |
| Capital expenditure | 134,307 | 109,688 | 132,386 | 68,431 | 55,267 | 59,512 | 80,722 | |
| Depreciation and amortisation | 51,577 | 54,798 | 60,418 | 59,669 | 56,968 | 54,540 | 54,474 | |
| Cash Flows: | | | | | | | | |
| Cash flows from operating activities | ¥ 74,902 | ¥ 108,597 | ¥ 146,955 | ¥ 103,252 | ¥ 124,525 | ¥ 127,655 | ¥ 146,991 | |
| Cash flows from investing activities | (100,058) | (115,047) | (132,737) | (62,516) | (44,295) | (58,923) | (45,517) | |
| Free cash flow ² | (25,155) | (6,449) | 14,217 | 40,735 | 80,230 | 68,732 | 101,474 | |
| Cash flows from financing activities | 36,718 | 7,014 | (24,200) | (39,544) | (78,978) | (69,195) | (105,079) | |
| Financial Position: | | | | | | | | |
| Total assets | ¥2,348,476 | ¥2,307,332 | ¥2,337,331 | ¥2,314,669 | ¥2,274,380 | ¥2,281,007 | ¥2,286,928 | |
| Total net assets | 476,639 | 473,878 | 480,633 | 486,947 | 524,801 | 573,154 | 617,598 | |
| Interest-bearing debt | 1,271,100 | 1,275,620 | 1,282,583 | 1,251,665 | 1,183,647 | 1,126,633 | 1,032,307 | |
| Per Share Data (Yen): | | | | | | | | |
| Net income attributable to owners of the parent | Basic | ¥ 0.50 | ¥ 16.28 | ¥ 8.55 | ¥ 14.32 | ¥ 31.13 | ¥ 31.48 | ¥ 36.76 |
| | Diluted | 0.41 | 16.18 | 8.51 | 14.27 | 31.13 | 31.47 | 36.75 |
| Net assets | | 369.25 | 366.96 | 371.70 | 377.17 | 407.01 | 443.63 | 477.69 |
| Dividend | | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 6.00 |
| Ratios: | | | | | | | | |
| Operating income margin (%) | | 12.1 | 11.4 | 10.7 | 10.1 | 11.4 | 12.9 | 13.5 |
| ROA (%) ³ | | 3.2 | 2.5 | 2.2 | 2.0 | 2.8 | 3.3 | 3.6 |
| ROE (%) ⁴ | | 0.1 | 4.4 | 2.3 | 3.8 | 7.9 | 7.4 | 8.0 |
| Interest-bearing debt/EBITDA (Times) | | 8.8 | 9.4 | 9.6 | 9.8 | 8.9 | 7.8 | 6.9 |
| Equity ratio (%) | | 19.9 | 20.1 | 20.1 | 20.6 | 22.6 | 24.5 | 26.3 |
| Debt/equity (D/E) ratio (Times) ⁵ | | 2.7 | 2.8 | 2.7 | 2.6 | 2.3 | 2.0 | 1.7 |
| Stock Price Index: | | | | | | | | |
| Stock price at the end of fiscal year (Yen) | ¥ | 431 | ¥ 447 | ¥ 433 | ¥ 384 | ¥ 361 | ¥ 569 | ¥ 562 |
| Market capitalisation (¥ billion) | | 5,480 | 5,683 | 5,505 | 4,882 | 4,590 | 7,234 | 7,145 |
| PER (Times) | | 862.0 | 27.5 | 50.6 | 26.8 | 11.6 | 18.1 | 15.3 |
| PBR (Times) | | 1.2 | 1.2 | 1.2 | 1.0 | 0.9 | 1.3 | 1.2 |
| Business Data: | | | | | | | | |
| Hankyu Railway (Thousand) ⁶ | | 618,373 | 618,585 | 605,963 | 603,233 | 608,632 | 615,324 | 629,125 |
| Hanshin Electric Railway (Thousand) ⁶ | | 180,906 | 182,997 | 193,620 | 205,202 | 218,560 | 221,133 | 226,004 |
| Average vacancy rates of rental office buildings (Umeda area, Osaka; %) ⁷ | | 3.08 | 5.88 | 8.90 | 11.22 | 7.29 | 11.50 | 9.22 |

1. EBITDA = operating income + depreciation expenses + amortisation of goodwill
EBITDA figures are rounded to the nearest ¥100 million.

2. Free cash flow = cash flows from operating activities + cash flows from investing activities

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

4. ROE = net income attributable to owners of the parent / equity (average of period-start and period-end totals)

5. D/E ratio = interest-bearing debt / equity

6. Annual number of passengers carried

7. 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 m² and are based on "Latest Trends in the Office-Building Market in Osaka," Miki Shoji, "Office Data."

8. Regarding transactions related to such items as the export of mixed cargo of the International Transportation Business, the Company has changed the recognition of revenues from operations from net presentation to gross presentation as of fiscal 2017. As a result of this change, the amount of revenues from operations for fiscal 2016 is the amount after retrospective application (gross presentation).

Further, the Company consolidated shares at the ratio of 5 shares to 1 share with an effective date of 1st August 2016. Net income per share, diluted net income attributable to owners of the parent per share, net assets per share, and dividend per share have been calculated based on the assumption that the said reverse stock split was executed on 1st April 2015.

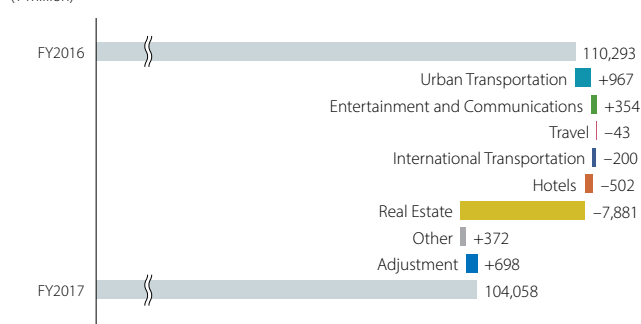
| | 2015 | 2016 ^a | 2017 |
|--|------------|-------------------|------------|
| | ¥ 685,906 | ¥ 746,792 | ¥ 736,763 |
| | 94,026 | 110,293 | 104,058 |
| | 150,100 | 166,500 | 159,300 |
| | 85,590 | 104,479 | 100,607 |
| | 77,620 | 96,087 | 100,805 |
| | 54,201 | 69,971 | 71,302 |
| | 71,034 | 63,842 | 79,288 |
| | 68,115 | 66,639 | 86,212 |
| | 53,143 | 53,701 | 52,800 |
| | ¥ 131,881 | ¥ 124,838 | ¥ 115,633 |
| | (52,529) | (78,843) | (84,845) |
| | 79,352 | 45,995 | 30,788 |
| | (81,746) | (47,278) | (30,595) |
| | ¥2,279,638 | ¥2,282,180 | ¥2,349,831 |
| | 679,482 | 724,237 | 804,659 |
| | 955,828 | 916,570 | 899,523 |
| | ¥ 42.98 | ¥ 277.88 | ¥ 285.11 |
| | 42.95 | 277.67 | 284.86 |
| | 525.56 | 2,815.96 | 3,150.67 |
| | 6.00 | 35.00 | 35.00 |
| | 13.7 | 14.8 | 14.1 |
| | 3.7 | 4.6 | 4.3 |
| | 8.6 | 10.3 | 9.4 |
| | 6.4 | 5.5 | 5.6 |
| | 29.1 | 31.0 | 33.5 |
| | 1.4 | 1.3 | 1.1 |
| | ¥ 743 | ¥ 718 | ¥ 3,620 |
| | 9,447 | 9,129 | 9,205 |
| | 17.3 | 12.9 | 12.7 |
| | 1.4 | 1.3 | 1.1 |
| | 627,536 | 644,563 | 647,369 |
| | 227,203 | 234,226 | 236,766 |
| | 7.84 | 5.54 | 3.20 |

Revenues from operations^a: ¥736.8 billion**(down 1.3%, or ¥10.0 billion, from the previous fiscal year)****Operating income: ¥104.1 billion****(down 5.7%, or ¥6.2 billion, from the previous fiscal year)**

The Group recorded year-on-year declines of 1.3%, or ¥10.0 billion, in revenues from operations, to ¥736.8 billion, and 5.7%, or ¥6.2 billion, in operating income, to ¥104.1 billion, due to the sale of land for facilities in the Real Estate Business in the previous fiscal year and the lower yen-equivalent value of revenues and earnings in the International Transportation Business.

Operating income: Factor analysis (YoY change)

(\$ million)

**Net income attributable to owners of the parent: ¥71.3 billion****(up 1.9%, or ¥1.3 billion, from the previous fiscal year)**

Net non-operating loss (total non-operating expenses net of total non-operating income) declined ¥2.4 billion, year on year, to ¥3.5 billion, due to an increase in equity in income of affiliates. Total extraordinary income net of total extraordinary loss was ¥0.2 billion, an improvement compared with the previous fiscal year's loss of ¥8.6 billion. This improvement reflected decreases in losses on revaluation of investment securities and in impairment loss.

Due to the above, net income attributable to owners of the parent increased 1.9%, or ¥1.3 billion, year on year, to ¥71.3 billion.

Net income attributable to owners of the parent: Factor analysis (YoY change)

| | |
|---|---------------|
| Improvement in total extraordinary income net of total extraordinary loss | +¥8.6 billion |
| Increase in equity in income of affiliates | +¥2.9 billion |
| Increase in total income taxes | -¥3.4 billion |
| Decrease in operating income | -¥6.2 billion |

Interest-bearing debt: ¥899.5 billion**(down 1.9%, or ¥17.0 billion, from the previous fiscal year-end)**

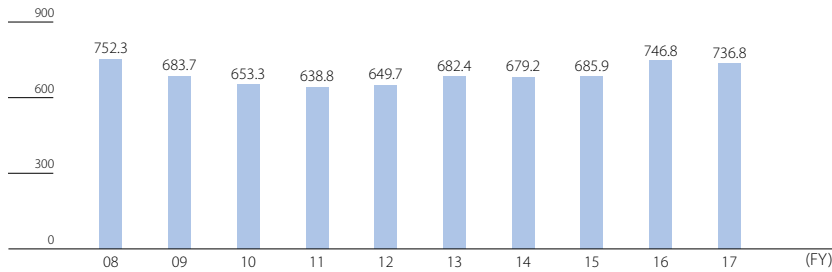
The outstanding balance of interest-bearing debt at the end of the fiscal year under review amounted to ¥899.5 billion, a decrease of 1.9%, or ¥17.0 billion, from the previous fiscal year-end. This was because free cash flow was used to repay interest-bearing debt.

Note: Billions of yen figures are rounded to one decimal place.

Key Financial Indicators (Graphs)

Revenues from operations

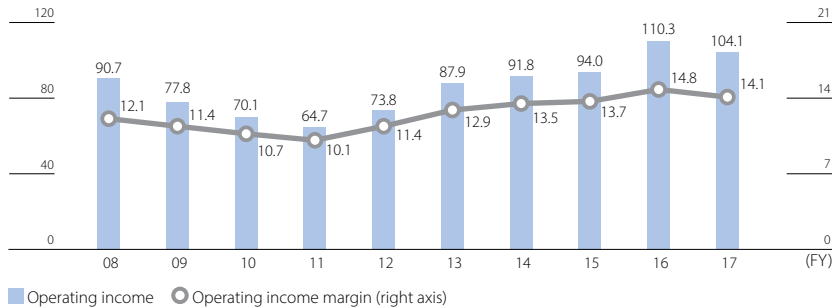
(¥ billion)



Revenues from operations decreased 1.3%, or ¥10.0 billion, year on year, to ¥736.8 billion, due to the sale of land for facilities in the Real Estate Business in the previous fiscal year and the lower yen-equivalent value of revenues and earnings in the International Transportation Business.

Operating income and operating income margin

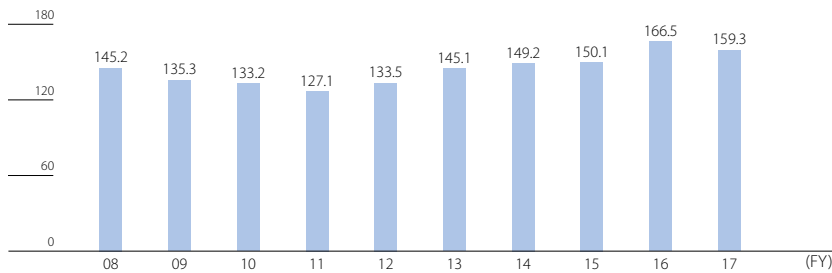
(¥ billion)



Operating income was down 5.7%, or ¥6.2 billion, year on year, to ¥104.1 billion, due to the above-mentioned decrease in revenues from operations and lower revenues from the accommodation and banquet areas in the Hotels Business.

EBITDA

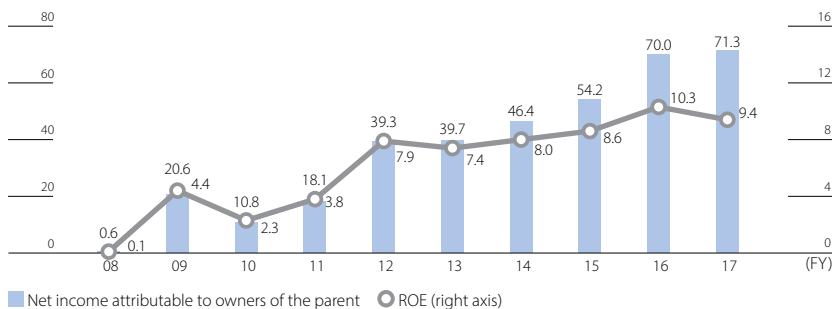
(¥ billion)



Operating income decreased 5.7%, or ¥6.2 billion, year on year, to ¥104.1 billion; depreciation and amortisation declined 1.7%, or ¥0.9 billion, to ¥52.8 billion; and amortisation of goodwill declined 1.8%, to ¥2.4 billion. As a result, EBITDA was ¥159.3 billion.

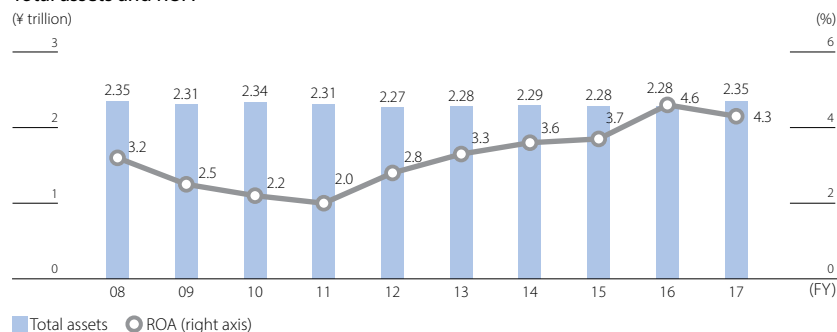
Net income attributable to owners of the parent and ROE

(¥ billion)



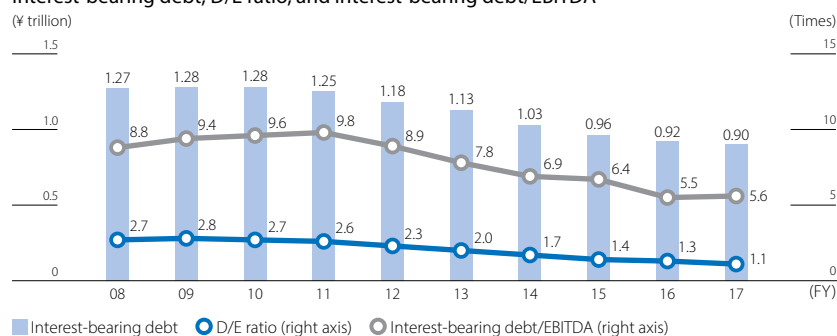
Total income taxes were up from the previous fiscal year, but higher income before income taxes caused net income attributable to owners of the parent to increase 1.9%, or ¥1.3 billion, year on year, to ¥71.3 billion, breaking the previous record for the sixth consecutive year. Due to higher equity, ROE decreased 0.9 percentage point, to 9.4%.

Total assets and ROA



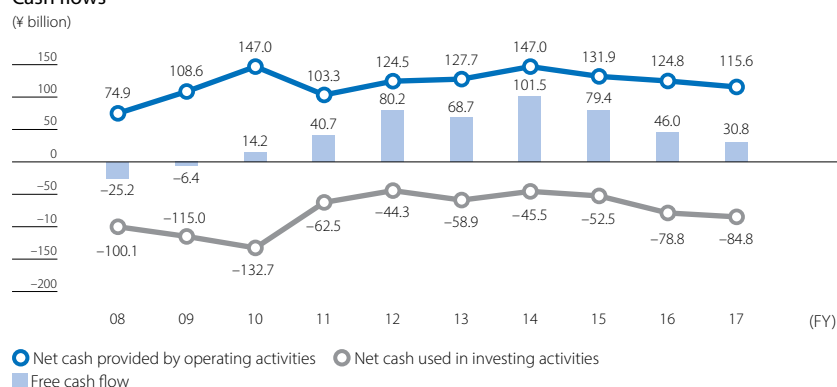
Total assets rose ¥67.7 billion from the previous fiscal year-end, to ¥2,349.8 billion, due to an increase in construction in progress. ROA edged down 0.3 percentage point, to 4.3%, reflecting lower ordinary income.

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



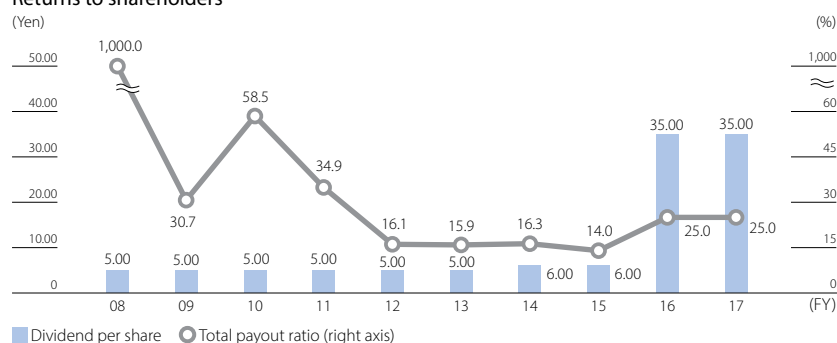
The outstanding balance of interest-bearing debt at the end of the fiscal year under review amounted to ¥899.5 billion, a decrease of 1.9%, or ¥17.0 billion, from the previous fiscal year-end. As a result, the Group reduced interest-bearing debt to less than ¥900 billion ahead of the previous medium-term management plan's schedule, which envisaged achieving this by the end of fiscal 2019. Consequently, the D/E ratio decreased to 1.1 times. Further, the interest-bearing debt/EBITDA ratio was 5.6 times, remaining below 6 times for the second consecutive fiscal year.

Cash flows



Net cash provided by operating activities was ¥115.6 billion, reflecting income before income taxes, depreciation and amortisation, and income taxes paid. Net cash used in investing activities was ¥84.8 billion due to purchases of noncurrent assets. Net cash used in financing activities was ¥30.6 billion as a result of redemption of bonds.

Returns to shareholders



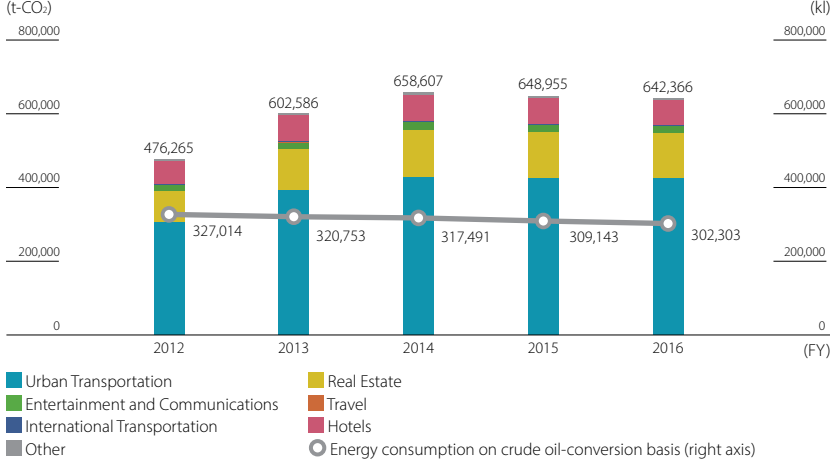
The Company's basic policy is to pay stable annual dividends and acquire treasury stock with a total payout ratio (the total of purchases of treasury stock and the total annual dividend as a percentage of net income attributable to owners of the parent) of 25% as a target. Regarding dividend payments from profits in fiscal 2017, the Company paid a dividend of ¥35 per share, which was the same as the dividend paid in the previous fiscal year. The Company purchased treasury stock (amounting to ¥9.1 billion) based on the target of a total payout ratio of 25%.

Notes: The total payout ratio for fiscal 2017 includes purchase of treasury stock (amounting to ¥9.1 billion). The Company conducted a 1-for-5 reverse stock split with an effective date of 1st August 2016. The figures for dividend per share above are after the reverse stock split.

ESG Highlights

Environmental Factors

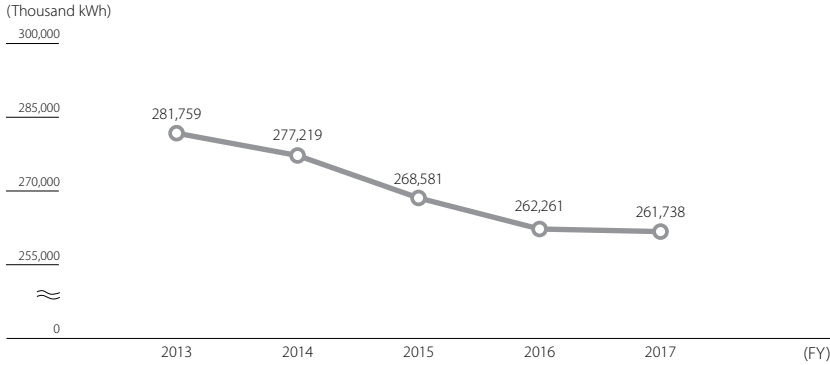
CO₂ emissions volumes and energy consumption on crude oil-conversion basis



In fiscal 2016, overall emissions were down 1.0% year on year, to 642,366 t-CO₂. While CO₂ emissions jumped in fiscal 2013, this rise was the result of an increase in the portion of electricity supplied from thermal power generation after the halt in operations of nuclear power plants following the March 2011 Great East Japan Earthquake.

Further, energy consumption on a crude oil-conversion basis decreased for the fifth consecutive year as a result of efforts by Group companies to reduce energy consumption. These efforts included measures by Hankyu Corporation and Hanshin Electric Railway to switch to light-emitting diode (LED) lighting in railway stations and other facilities and to introduce more new rolling stock with better energy efficiency than existing rolling stock.

Electricity consumption during summer months (July–September)

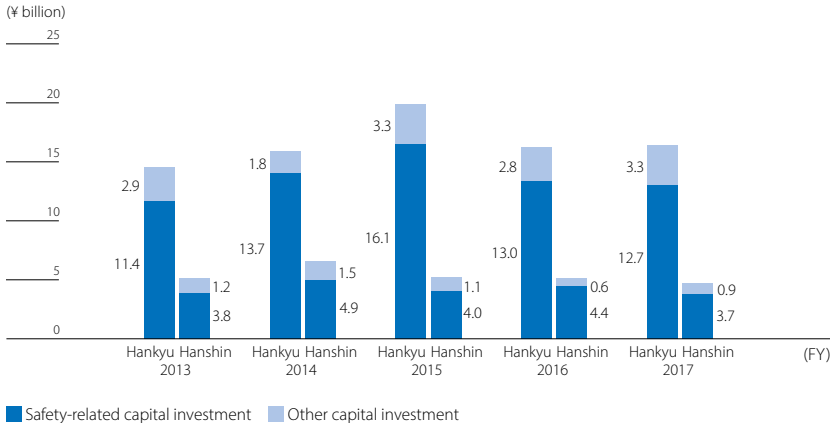


Note: Figures above are for Hankyu Hanshin Holdings, Inc., and its domestic consolidated subsidiaries, but exclude certain business sites for which electricity consumption is difficult to track.

The Group has been endeavouring to lower its electricity consumption over the peak usage months from July to September. As a result, total electricity consumption from July to September 2016 was 261,738 kWh, down 0.2% year on year (a decrease of approximately 15% from the equivalent period in 2010, before the Great East Japan Earthquake).

Social Factors

Capital investment in railway operations

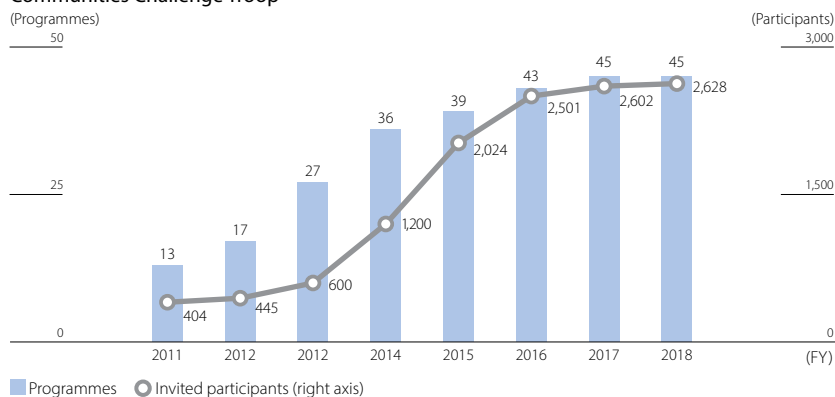


Note: The total length of lines operated is 143.6 km for Hankyu Corporation and 48.9 km for Hanshin Electric Railway.

As a railway operator, the Group provides a form of public infrastructure. We therefore make giving priority to the safety of our customers a fundamental policy of management, and conduct ongoing safety-related capital investments in our railway operations accordingly. In fiscal 2017, such investments totalled ¥12.7 billion at Hankyu Corporation and ¥3.7 billion at Hanshin Electric Railway. These investments were primarily used to conduct station upgrades, including track elevation, seismic reinforcement of elevated tracks, expansion of platforms, and measures for making stations barrier-free.

Note: Please see "Safety Initiatives in the Railway Business" on pages 64–67 of this report.

Number of programmes and participants of the Hankyu Hanshin Dreams and Communities Challenge Troop

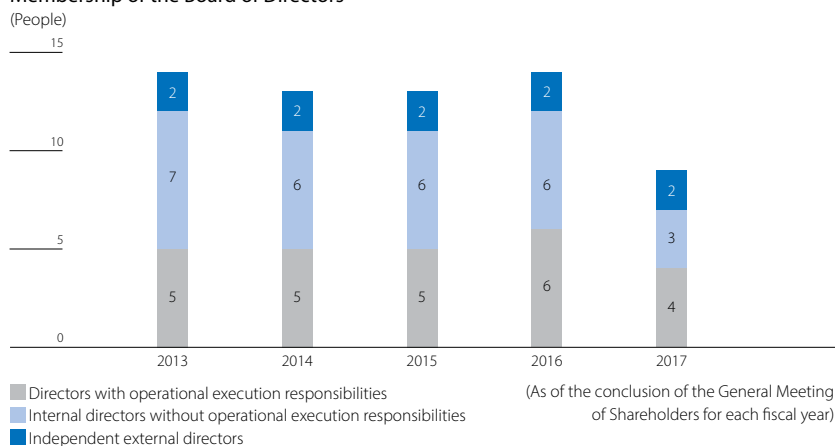


The Group conducts a variety of activities focused on its line-side areas in accordance with a basic policy of creating towns and cities that people will truly want to live in. Particularly popular among local residents are programmes that take advantage of the unique business expertise of Group companies to provide primary school students with opportunities to experience a diverse range of workplaces. Since we began this initiative in 2010, we have invited 12,404 students to participate in programmes from an aggregate total of roughly 92,000 applications. In fiscal 2017, these activities received a special commendation from the judges of an award recognising companies that offer experiential activities for young people, organised by the Ministry of Education, Culture, Sports, Science and Technology.

Note: Please see “CSR and Corporate Value Enhancement” on pages 30–33 of this report.

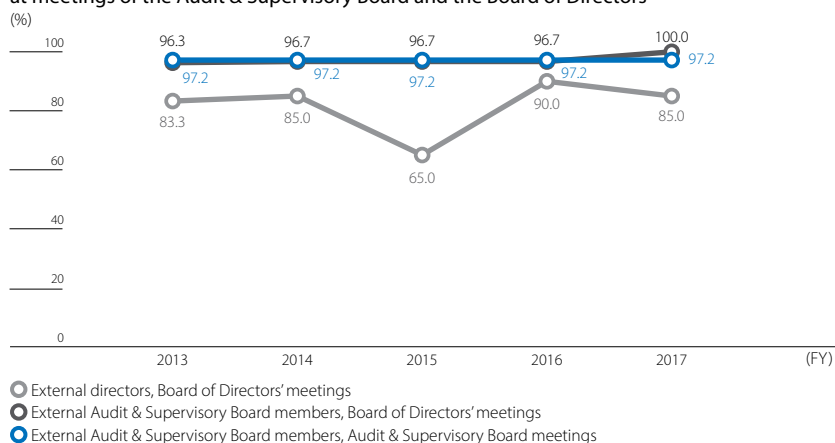
Governance Factors

Membership of the Board of Directors



The General Meeting of Shareholders held in June 2017 approved a reduction in the number of directors from 14 to nine, thereby increasing the proportion of external directors. Five directors of the Company concurrently serve as directors of Group companies to ensure that business management reflects viewpoints from the Group’s operations. In addition, two of the Company’s part-time directors have been appointed from H2O Retailing Corporation and Toho Co., Ltd., with the aim of strengthening coordination with other companies in the Hankyu Hanshin Toho Group.

Rate of attendance of external directors and external Audit & Supervisory Board members at meetings of the Audit & Supervisory Board and the Board of Directors



To support external directors and external Audit & Supervisory Board members, the Company has established secretariats for the Board of Directors and the Audit & Supervisory Board. In particular, the Company has appointed to the secretariat of the Audit & Supervisory Board dedicated personnel who provide information to Board members and liaise with relevant in-house departments and divisions. The Company provides external directors and external Audit & Supervisory Board members with information about the Company’s businesses, financial position, and organisations mainly at meetings of the Corporate Governance Committee. Also, the secretariat of the Board of Directors sends Board members documents detailing agenda items for submission to the Board of Directors, in principle, seven days prior to the dates of meetings.

Major Rental Properties / Major Sales Properties

Major rental properties

| Property name | Location | Completed | Leasable area ¹ (1,000 m ²) | Use |
|--|---------------------|-----------|---|---|
| Umeda Hankyu Bldg. | Kita-ku, Osaka | 2012 | 213 | Department stores (Hankyu Department Store), Offices |
| Umeda Hanshin Daiichi Bldg. (HERBIS OSAKA) | Kita-ku, Osaka | 1997 | 82 | Hotels (The Ritz-Carlton, Osaka), Offices, Commercial facilities, Multifunctional convention hall |
| Umeda Hanshin Daini Bldg. (HERBIS ENT) | Kita-ku, Osaka | 2004 | 55 | Offices, Commercial facilities, Theatre (Osaka Shiki Theatre) |
| Hankyu Chayamachi Bldg. (Applause Tower) | Kita-ku, Osaka | 1992 | 52 | Hotel (Hotel Hankyu International), Offices, Commercial facilities |
| Hankyu Sanban Gai Shopping Centre | Kita-ku, Osaka | 1969 | 40 | Commercial facilities |
| Hankyu Grand Bldg. | Kita-ku, Osaka | 1977 | 36 | Offices, Commercial facilities |
| GRAND FRONT OSAKA | Kita-ku, Osaka | 2013 | 28 | Offices, Commercial facilities, Knowledge Capital, Hotel (InterContinental Hotel Osaka) |
| Hankyu Terminal Bldg. | Kita-ku, Osaka | 1972 | 27 | Offices, Commercial facilities |
| Hankyu Five Bldg. (HEP FIVE) | Kita-ku, Osaka | 1998 | 20 | Commercial facilities |
| Navio Hankyu (HEP NAVIO) | Kita-ku, Osaka | 1980 | 16 | Commercial facilities |
| Kita Hankyu Bldg. | Kita-ku, Osaka | 1971 | 13 | Offices, Commercial facilities |
| NU-chayamachi | Kita-ku, Osaka | 2005 | 12 | Commercial facilities |
| Noda Hanshin Bldg. (WISTE) | Fukushima-ku, Osaka | 1992 | 32 | Commercial facilities, Offices |
| Shin-Osaka Hankyu Bldg. | Yodogawa-ku, Osaka | 2012 | 24 | Offices, Hotel (REMM Shin-Osaka), Commercial facilities |
| Hankyu Nishinomiya Gardens | Nishinomiya, Hyogo | 2008 | 108 | Commercial facilities, Department stores (Hankyu Department Store) |
| Hankyu Kawaramachi Bldg. | Shimogyo-ku, Kyoto | 1974 | 38 | Department stores (Takashimaya) |

1. Leasable area does not include areas for public use.

Major properties sold in fiscal 2017²

| Property name | Location | Total number of units |
|--|--------------------------|-----------------------|
| Condominium | | |
| Geo Takatsuki <i>Muse Resis</i> | Takatsuki, Osaka | 244 |
| G-Clef Geo Kobe Motoyama ³ | Higashinada-ku, Kobe | 256 |
| Geo Senri Chuo <i>The Residence</i> | Toyonaka, Osaka | 218 |
| Brod Takatsuki | Takatsuki, Osaka | 51 |
| Geo Kyoto Saga Arashiyama | Ukyo-ku, Kyoto | 32 |
| Geo Kyoto Arashiyama | Nisikyo-ku, Kyoto | 25 |
| Geo Sumiyoshi Honmachi | Higashinada-ku, Kobe | 22 ⁴ |
| Geo Grande Okamoto 1-chome | Higashinada-ku, Kobe | 17 ⁴ |
| Geo Tama Center | Tama, Tokyo | 300 |
| Geo Chigasaki ³ | Chigasaki, Kanagawa | 136 |
| Geo Tsudanuma | Narashino, Chiba | 84 |
| Geo Kyodo | Setagaya-ku, Tokyo | 78 |
| Geo Gyoen Naitomachi | Shinjuku-ku, Tokyo | 63 |
| Detached house | | |
| Osaka Nakajima Koen Toshi <i>Hapia Garden Shiki no Machi</i> | Nishi-Yodogawa-ku, Osaka | 254 |
| Hankyu <i>Saito Garden Front Saito Mino-o Residence</i> | Minoh, Osaka | 48 |
| <i>Hapia Garden</i> Mino-o Onohara | Minoh, Osaka | 20 |
| <i>Grand Forum</i> Soshigaya-Okura <i>Hapia</i> ³ | Setagaya-ku, Tokyo | 27 |
| <i>Hapia Garden</i> Yokohama Yamate | Yokohama, Kanagawa | 14 |
| <i>Hapia Garden</i> Oizumi Gakuen-cho | Nerima-ku, Tokyo | 8 |

2. Ordered by highest total number of condominium units first, with Kansai area and Tokyo metropolitan area categorised separately

3. Joint-venture properties

4. Including unsold condominium units

Major properties planned to be sold in fiscal 2018²

| Property name | Location | Total number of units |
|---|--------------------|-----------------------|
| Condominium | | |
| Geo Tenroku <i>Twin Towers</i> | Kita-ku, Osaka | 358 |
| <i>Cielia</i> Saito (First phase) ³ | Ibaraki, Osaka | 208 |
| Geo Ibaraki Togu-cho | Ibaraki, Osaka | 45 |
| Geo Nishinomiya Kitaguchi <i>The Grace</i> | Nishinomiya, Hyogo | 40 |
| Geo Nishinomiya Kitaguchi Kawarabayashi-cho | Nishinomiya, Hyogo | 35 |
| Geo Nishinomiya Kitaguchi Yakushi-cho | Nishinomiya, Hyogo | 29 |
| Geo Fukagawa Sumiyoshi | Koto-ku, Tokyo | 190 |
| Geo Yotsuya Araki-cho | Shinjuku-ku, Tokyo | 131 ⁴ |
| <i>Primce Style</i> Higashi Nihombashi ³ | Chuo-ku, Tokyo | 73 ⁴ |
| Geo Yotsuya Sanei-cho | Shinjuku-ku, Tokyo | 61 |
| Geo Utsukushigaoka 2-chome <i>Hills</i> | Yokohama, Kanagawa | 52 |
| Geo Minamiaoyama | Minato-ku, Tokyo | 25 |
| Geo Grande Motoazabu | Minato-ku, Tokyo | 19 ⁴ |
| Detached house | | |
| <i>Hapia Garden</i> Tarumi Seiryodai | Tarumi-ku, Kobe | 17 |
| <i>Hapia Garden</i> Kuzuhanamiki 1-chome | Hirakata, Osaka | 7 |
| <i>Hapia Garden</i> Takarazuka Gotenyama | Takarazuka, Hyogo | 6 |
| <i>Hapia Garden</i> Shimo Shakujii | Nerima-ku, Tokyo | 13 |
| <i>Hapia Garden</i> Komae Izumi Tamagawa | Komae, Tokyo | 9 |
| <i>Hapia Garden</i> Yokohama Yamate Nibangai | Yokohama, Kanagawa | 7 |

Major Group Companies

(As of 31st March 2017)

Consolidated Subsidiaries

Urban Transportation

| Main business | Name of company |
|--------------------|---|
| Railway operations | Hankyu Corporation |
| | Hanshin Electric Railway Co., Ltd. |
| | Nose Electric Railway Co., Ltd. |
| | Kita-Osaka Kyuko Railway Co., Ltd. |
| | Hokushin Kyuko Railway Co., Ltd. |
| | Kobe Rapid Transit Railway Co., Ltd. |
| Automobile | Hankyu Bus Co., Ltd. |
| | Hanshin Bus Co., Ltd. |
| | Hankyu Taxi Inc. |
| | Hanshin Taxi Co., Ltd. |
| Advertising | Hankyu Corporation |
| | Eki Retail Service Hankyu Hanshin Co., Ltd. |
| | Hankyu Style Labels Co., Ltd. |
| Retailing | Hankyu Corporation |
| | Hankyu Advertising Agency Inc. |
| Other | Alna Sharyo Co., Ltd. |
| | Hankyu Sekkei Consultant |
| | Hanshin Station Net Co., Ltd. |

Real Estate

| Main business | Name of company |
|--------------------------------------|--|
| Real estate leasing | Hankyu Corporation |
| | Hanshin Electric Railway Co., Ltd. |
| | Hankyu Realty Co., Ltd. |
| | Hanshin Real Estate Co., Ltd. |
| Real estate sales and other business | Hankyu Corporation |
| | Hanshin Electric Railway Co., Ltd. |
| | Hankyu Realty Co., Ltd. |
| | Hankyu Hanshin Building Management Co., Ltd. |
| | Hankyu Hanshin High Security Service Co., Ltd. |
| | Hankyu Hanshin Clean Service Co., Ltd. |
| | Hankyu REIT Asset Management, Inc. |
| Hankyu Housing Support Ltd. | |

Entertainment and Communications

| Main business | Name of company |
|-------------------------|------------------------------------|
| Sports | Hanshin Electric Railway Co., Ltd. |
| | Hanshin Tigers Baseball Club, Ltd. |
| | Hanshin Contents Link Corporation |
| Stage | Hankyu Corporation |
| | Takarazuka Creative Arts Co., Ltd. |
| | Umeda Arts Theater Co., Ltd. |
| Communication and media | Itec Hankyu Hanshin Co., Ltd. |
| | Bay Communications Inc. |
| Leisure, etc. | Mt. Rokko Cable Car & Tourism Co. |

Travel

| Main business | Name of company |
|---------------|---------------------------------------|
| Travel agency | Hankyu Travel International Co., Ltd. |
| | Hankyu Travel Support Co., Ltd. |

International Transportation

| Main business | Name of company |
|------------------------------|---------------------------------------|
| International transportation | Hankyu Hanshin Express Co., Ltd. |
| | Hankyu Hanshin Logipartners Co., Ltd. |
| | HHE (USA) Inc. |
| | HHE (Deutschland) GMBH |
| | HHE (HK) Limited |
| | HHE Southeast Asia Pte. Ltd. |
| HHE: Hankyu Hanshin Express | |

Hotels

| Main business | Name of company |
|------------------|--------------------------------------|
| Hotel management | Hankyu Hanshin Hotels Co., Ltd. |
| | Hanshin Hotel Systems Co., Ltd. |
| | Hankyu Hanshin Restaurants Co., Ltd. |
| | Arima View Hotel Co., Ltd. |

Other

| Main business | Name of company |
|--|---|
| Construction | Hanshin Kensetsu Co., Ltd. |
| | Chuo Densetsu Co., Ltd. |
| Outsourcing services for personnel and accounting services | Hankyu Hanshin Business Associate Co., Ltd. |
| Credit and point card | Hankyu Hanshin Card Co., Ltd. |
| Group finance | Hankyu Hanshin Financial Support Co., Ltd. |

Equity-Method Affiliates


| Main business | Name of company |
|-------------------------|---|
| Department store | H:O Retailing Corporation [Securities code: 8242] |
| Railway operations | Nishi-Osaka Railway Co., Ltd. Kobe Electric Railway Co., Ltd. [Securities code: 9046] |
| Motion picture business | Toho Co., Ltd. [Securities code: 9602] |
| Real estate leasing | Tokyo Rakutenchi Co., Ltd. [Securities code: 8842] |
| Commercial broadcasting | Kansai Telecasting Corporation |

Group History

■ Hankyu Holdings, Inc.

- 1907 Founding of Mino-Arima Electric Railway Company (predecessor of Hankyu Corporation) by Ichizo Kobayashi
- 1910 Opening of Takarazuka Line (Umeda-Takarazuka) and Mino-o Line (Ishihashi-Mino-o)
- 1913 Formation of Takarazuka Girls' Revue (currently Takarazuka Revue Company)
- 1924 Completion of Takarazuka Grand Theatre
- 1929  Opening of Hankyu Department Store, Asia's first railway terminal department store
- 1948 Launch of services as Pan American Airways agent
- 1964 Opening of Hotel new Hankyu Osaka
- 1973 Opening of New Hankyu Umeda Station as one of the largest private railway terminals in Japan
Changing of company name from Keihanshin Kyuko Railway Company to Hankyu Corporation
- 1995 Considerable damage to transportation and business infrastructure of Hankyu and Hanshin due to the Great Hanshin Earthquake
- 2005 Establishment of Hankyu Holdings, Inc.

■ Hanshin Electric Railway Co., Ltd.

- 1899 Founding of Settsu Electric Railway (renamed Hanshin Electric Railway Co., Ltd., in same year)
- 1905 Beginning of operations linking Kobe (Sannomiya) and outer Osaka (Deiribashi)
- 1924  Opening of Koshien Stadium (currently Hanshin Koshien Stadium)
- 1933 Opening of Hanshin Mart at Hanshin Umeda Station (currently Hanshin Department Store)
- 1935 Establishment of Osaka Baseball Club (Osaka Tigers, currently Hanshin Tigers)
- 1948 Launch of airline agency business
- 1985 Hanshin Tigers win Japan Series for first time

2006 Establishment of Hankyu Hanshin Holdings, Inc.

Establishment of Hankyu-Hanshin-Daiichi Hotel Group

2007 Announcement of Hankyu Hanshin Holdings Group 2007 Medium-Term Management Plan
Management integration of Hankyu and Hanshin department store businesses

2008 Opening of Hankyu Nishinomiya Gardens



2010 Completion of renovation of Hanshin Koshien Stadium, opening of Museum of Hanshin Koshien Stadium
Completion of Umeda Hankyu Building Office Tower

2012 Completion of Umeda Hankyu Building, full opening of Umeda Flagship Store of Umeda Department Store



2015 Announcement of the Hankyu Hanshin Holdings Group's Medium-Term Management Plan (Fiscal 2016-Fiscal 2019)

2016  Opening of the Group's first logistics centre in the ASEAN region, in Indonesia

2017 Announcement of the Hankyu Hanshin Holdings Group's Long-Term Management Vision for 2025 (Fiscal 2017-Fiscal 2026)

Investor Information

(As of 31st March 2017)

Hankyu Hanshin Holdings, Inc.

Head Office:

1-16-1, Shibata, Kita-ku, Osaka 530-0012, Japan
 Phone: +81-6-6373-5001
 (Group Planning Div., IR Office)
 Fax: +81-6-6373-5042

Tokyo Office (Personnel and General Affairs Div.):

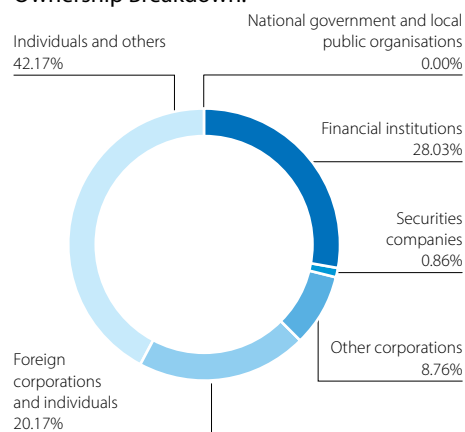
Toho Twin Tower Bldg.,
 1-5-2, Yurakucho, Chiyoda-ku, Tokyo 100-0006, Japan
 Phone: +81-3-3503-1568
 Fax: +81-3-3508-0249

Paid-in Capital: ¥99,474 million
Fiscal Year-End: 31st March
Number of Employees: 21,860 (consolidated)
Authorised Shares: 640,000,000*
Issued Shares: 254,281,385*
Number of Shareholders: 79,271*
Unit of Trading: 100 shares*
Stock Exchange Listing: Tokyo
Transfer Agent: Mitsubishi UFJ Trust and Banking Corporation

Principal Shareholders:

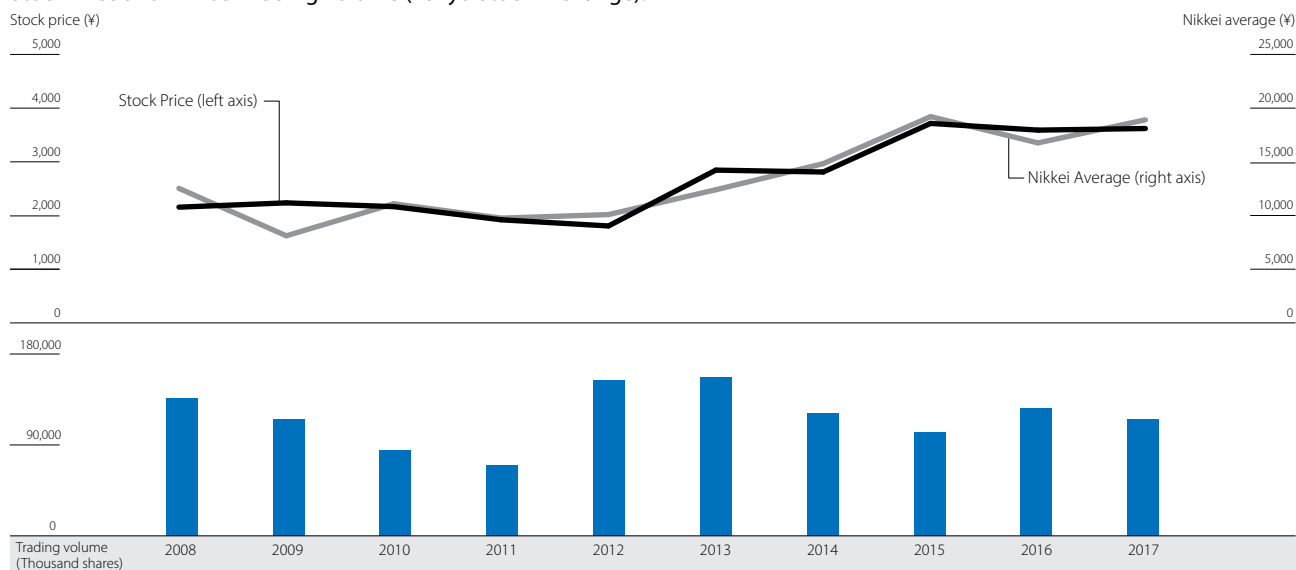
| Name | Number of shares (Thousands)* | Percentage (%) |
|---|-------------------------------|----------------|
| Japan Trustee Services Bank, Ltd. (Trust account) | 12,906 | 5.08 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 9,163 | 3.60 |
| Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.) | 5,804 | 2.28 |
| Japan Trustee Services Bank, Ltd. (Trust account 5) | 4,641 | 1.83 |
| Sumitomo Mitsui Banking Corporation | 4,381 | 1.72 |
| H2O Retailing Corporation | 4,207 | 1.65 |
| State Street Bank West Client-Treaty 505234 (Standing Proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Division) | 3,584 | 1.41 |
| Japan Trustee Services Bank, Ltd. (Trust account 7) | 3,460 | 1.36 |
| Japan Trustee Services Bank, Ltd. (Trust account 1) | 3,447 | 1.36 |
| Japan Trustee Services Bank, Ltd. (Trust account 2) | 3,409 | 1.34 |

Ownership Breakdown:



* The Company conducted a 1-for-5 reverse common stock split and the change of trading unit from 1,000 shares to 100 shares with an effective date of 1st August 2016. The figures take into account the reverse stock split and the change of trading unit.

Stock Price and Annual Trading Volume (Tokyo Stock Exchange):



Notes:

1. The stock prices are as of 31st March of each year. The trading volumes are for years ended 31st March.
2. The data takes into account the reverse stock split and the change of trading unit conducted with an effective date of 1st August 2016.